

# NATION'S BUSINESS

August



1926

## "If I Were Dictator"

By Senator DAVID A. REED, of Pennsylvania

## The Synthetic House of Tomorrow

By GERALD WENDT

*And other midsummer features, proving anew that truth is  
stranger than fiction, such as—*

The New Competition on Wheels—Raymond C. Willoughby  
Winning Ways of the Charity Fakers—F. S. Tisdale  
The Golden Rule, Plus Sound Business—Silas Bent  
These Charming Sophisticates—Charles B. Driscoll  
Instalment Selling and Future Buying—Foster and Catchings

Map of Nation's Business, page 54  
Complete Table of Contents, page 5

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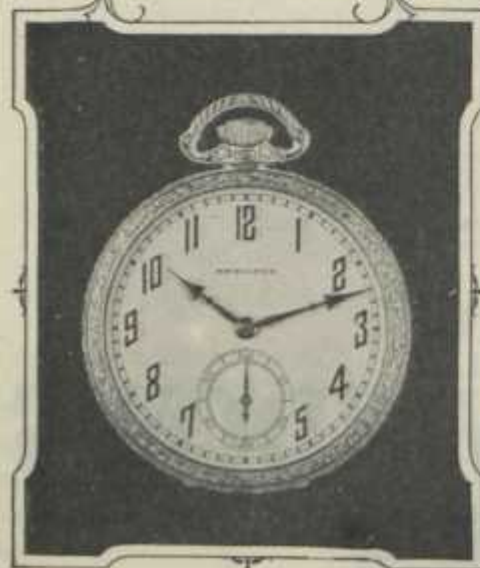


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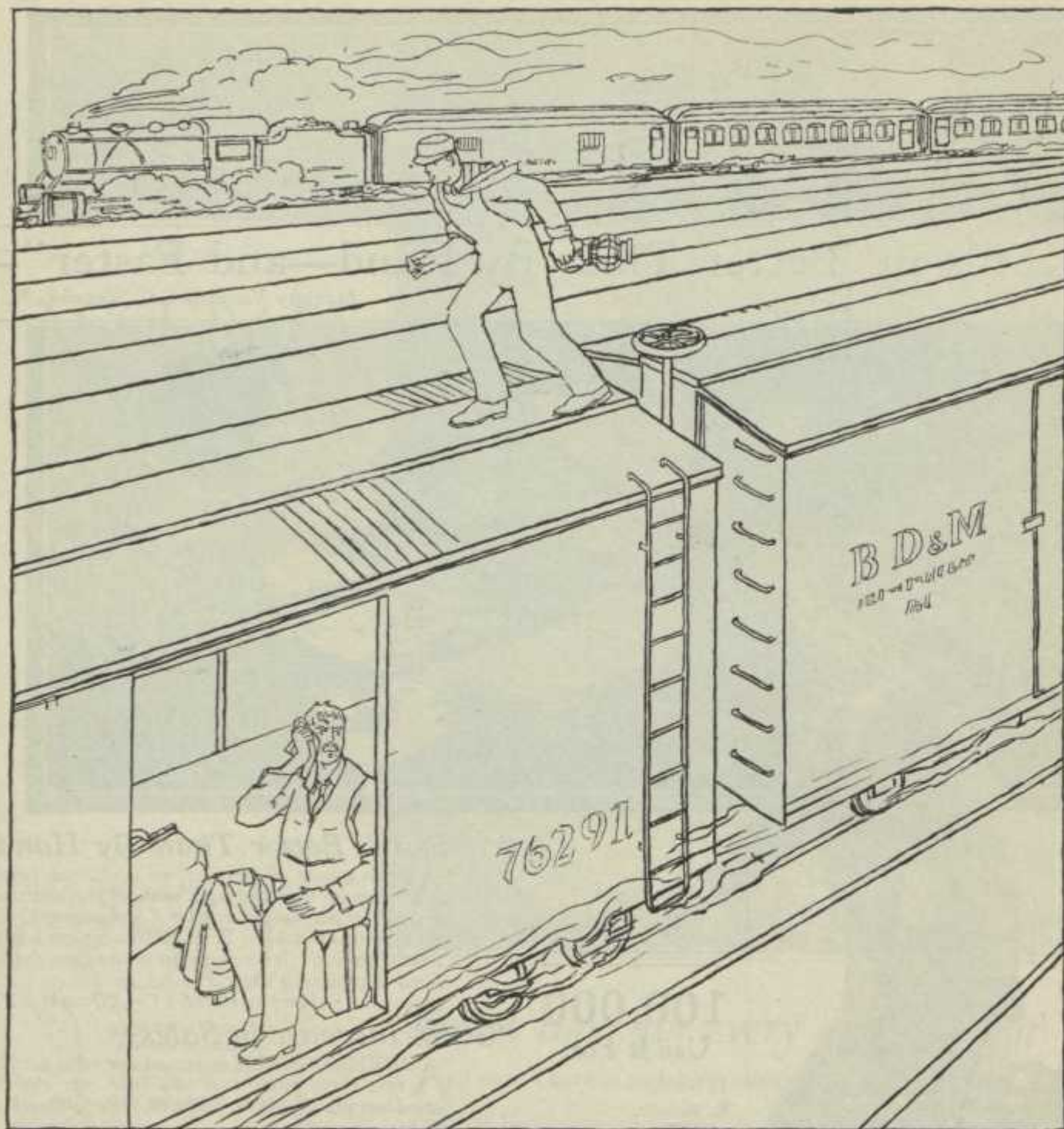
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IN OUR July issue, William Feather, Cleveland, wrote for us a Fourth of July oration—new style. It brought a veritable avalanche of brickbats and bouquets. More of this anon.

J. L. Garvin, eminent editor of the *London Observer*, wrote on the same theme for the *New York Times*.

We expect our commemorative orators from the President on down to strike the eulogistic note—and properly, for the theme amply deserves it. But for a thorough-going Briton to make the occasion one for unqualified gratulation brings one to up-standing and alert attention.

This eminent Briton finds "rhetoric reduced to impotence"—the quotes are Mr. Garvin's—by the facts of our "most marvelous" history. In the "eloquence of round numbers" as to America's resources and productivity, he recites what would seem bad taste in us to repeat, and by the side of which "economic Europe is in impoverished chaos."

Nor is it a "spectacle of triumphant materialism." America spends as much in education as all the rest of the world together. She "grandly leads in many fine arts." Her mastery of steel is "as inspiring as the Greek mastery of marble." And as for our vast machine production and the diffusion of wealth, they would have been "impossible without character and moral energy."

So much for the present into which these one hundred and fifty years have brought America, in the view of an Englishman who speaks of the Fourth of July as a day of pride and hope.

What of the next fifty years?

Mr. Garvin's prophecy is that America is but well started on its career of service and leadership.

A RECENT reference in this column to the w. k. nine-foot sheet law of Kansas draws upon us a storm.

The distinguished Wichita *Beacon*, edited by former Governor Henry J. Allen, than whom none is more courteous in administering chastisement, sets us to rights, thus:

We agree with NATION'S BUSINESS that there are too many statutes. They ought to be codified, simplified and weeded out. In some cases there may be unjustifiable interference with private affairs. But we also believe there is an oversensitiveness in this respect and too much worrying over laws that harm no one. Who is annoyed by the nine-foot sheet law? Nobody but the hotel keeper who is careless about sanitation. Nobody but hotel keepers need pay attention to it.

The Pulitzer prize cartoon for 1925 shows a huge pyramid of statutes as compared with the Laws of Moses, but who wants to go back to the living conditions of the time of Moses?

AND WALTER STIPPICH, a Kansas traveling man, agreeing heartily in our major premise that there's too much law, hopes we won't permit our zeal for fewer laws to take us the length of snatching the

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As the official magazine of the National Chamber, this publication carries authoritative notices and articles in regard to the activities of the Chamber; in all other respects the Chamber cannot be responsible for the contents thereof or for the opinions of writers to which expression is given.



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First in resources, deposits, volume of business and number of bank correspondents

**The CONTINENTAL and  
COMMERCIAL  
BANKS  
CHICAGO**

RESOURCES HALF A BILLION—AND MORE

three-yard bed linen from the *salles de nuit* of Kansas hotels.

COMES, too, C. C. Finn of the Finn Metal Works, of Seattle, who, as he himself says, travels for a living. Mr. Finn deposes and says:

I fear you used the phrase regarding sheets in a hasty effort to fill out a line. The thing to do is to admit that you wisted not what you watted and after agreeing never to do it again, try to live it down.

NOW comes Henry Schott, once of Kansas, later of Chicago and Washington, more recently of Seattle and points west, asks to "draw cards" even though he "dropped in late." Says he:

The fact is that law was passed with the backing of all the medical societies and commercial travelers' organizations in the state, and they had in mind not only hotels, but the Pullman company as well. They wanted sheets long enough to turn back and cover blankets.

The law was passed and then the papers in the large and wise cities found it very funny, thereby giving it much space and advertising and carrying the point home to such of the traveling public as happened to think twice. The same result might have been gathered by a campaign of education, but it would have taken many years.

I note you also find amusement in the law eliminating the good old community roller towel. There is another thing started in Kansas and the big city papers just had to hold their sides! That law had tragedy associated with it; it is said to have been the main cause for the suspension of Puck, having taken from it one of its great subjects for humor. Of course, the oculists and a few other people understood and today even printers no longer use a common towel.

You can go back another step. It is the same absurd people in Kansas who decided that one drinking cup was not enough for the entire population. For some absurd reason they passed a law that provided individual drinking cups, or none, in public places. It was five or six years before the enlightened centers of population followed suit.

And the Blue Sky law. Yes, that's some more foolishness that originated in Kansas. I believe some of the up-and-coming Eastern states are considering it.

KAMERADS! Kamerads! Just a minute. We are launching no crusade against the lowly nine-foot sheet. Nor would we go back to the days of Moses for living standards. No, sir!

As one who puts many miles of the interesting geography of the United States back of him each calendar year, we are for bigger and better sheets and more of 'em, and properly lavendered. They can't come too long, say we.

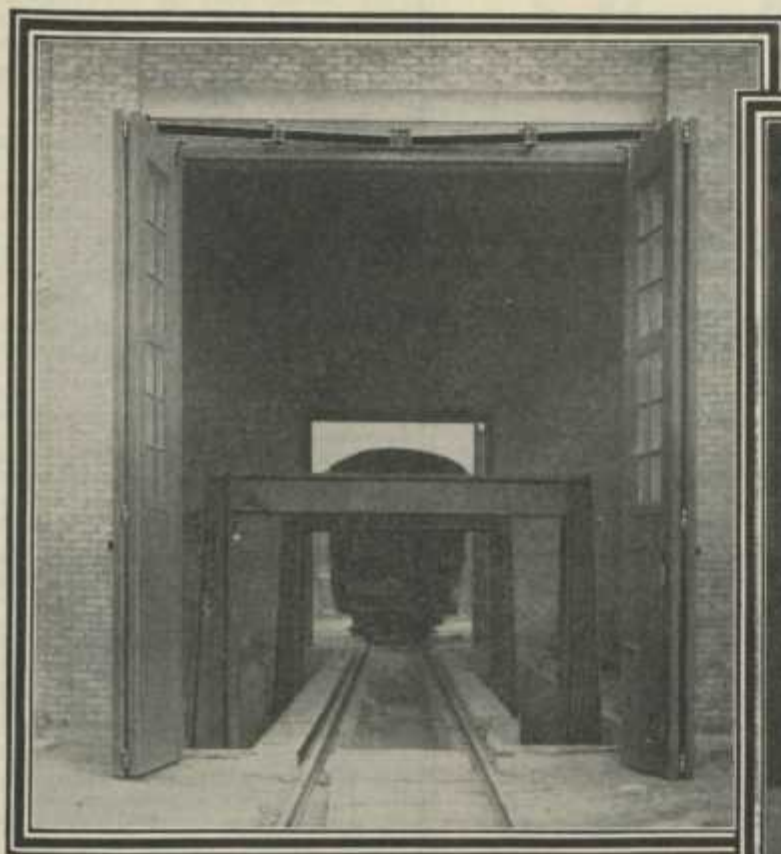
The three-yard bed linen statute was mentioned, originally, merely as picturesque evidence of the American habit of passing laws about things. We pointed out that the multitude of such regulations, meritorious in themselves, perhaps, were factors that added to tax bills, because such regulations provide an entourage of inspectors, inquisitors and what not—all with salary attachments.

Moreover, while nine-foot sheets are a boon and a blessing for the wayfaring man, may it not be just a step from fixing sheet length by law to fixing the thickness of pork chops served by the same hotels? Or traveling men's salaries and commissions?

There's a line somewhere. Just where?

HERE'S another thought. Maybe, as the *Beacon* infers, Kansas hotel keepers needed a rap over the





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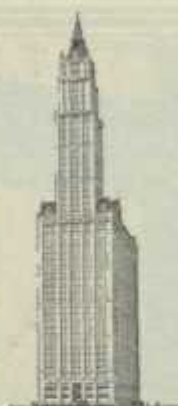
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knuckles by the state's lawmakers. If so, the nine-foot sheet law is an example of the truth we've been trying to drive home all this while that if business doesn't regulate itself, government will step in and regulate all over the place.

THREE significant utterances on this general note:

The Kansas City *Star*, able exponent of the decent thing in public relations, says:

If business does not set its house in order on its own initiative, the house is likely to be set in order rather rudely by outsiders.

On the same theme, the Chattanooga *Times*, a leader of thought in the South, contributes this:

At least the first part of the slogan, "Less government in business, more business in government," is beginning to be expressive of a movement rather than merely an ideal. Business generally has begun to concern itself with getting the Government out of business.

And the *World's Work*, long a beacon of enlightenment in matters of self-reliance, points out that:

We have to a considerable degree departed from the traditional American point of view that asked of the Government nothing but a fair field and no favor. The descendant of the individual who was "the captain of his fate and the master of his soul" now travels to Washington to prove that he is neither, and that a bureau of a material government must mother his activities and see that he comes to no harm.

We welcome these distinguished and valiant volunteers in the service of a great common good—the promotion of a better understanding of business by government and of government by business, which will lead to that consummation devoutly to be wished—self-regulation of business.

THE MEAT PACKERS at Chicago are trying to change a trade term that bothers some of the more fastidious. When a beef comes from the killing room, it is covered with a clean sheet which for years has been called a shroud. Now they are asking themselves if the unpleasant connotation is not better changed. Some think that "clothing" would be a better—certainly a pleasanter—term for the cloth which is applied to preserve the "bloom" on bossie's loins.

A queer thing, this suggestive power of words. In the literal sense, there isn't much difference between the words "executive" and "executioner" and yet there is a difference. And the original distinction between busyness and business was very thin, but now neither can exist without the other.

And a good side of beef would taste as sweet, regardless of its cover title.

THE NINTH of the Kiplinger series of monthly analyses and forecasts of congressional action appears elsewhere in this issue.

The series has proved both popular and informative. It represents the collaboration of some twenty observers, both in and out of Congress, who, after weighing forces, factors and elements have given their best judgment—free of personal bias, prejudice or hope, through the writer, Mr. Kiplinger.

Hindsight is always better than foresight. Now that Congress is in adjournment and its story told, it is interesting to apply the test of fact to the forecasts that have been presented from month to month in the series to determine the batting average. Most forecasts proved accurate though at



the time they were made many of them were against the prevailing current opinion.

A few forecasts, good and not so good, are cited:

**TAXES.**—Last December: Aggregate reduction is likely to be a little more than \$300,000,000 (final reduction was \$319,000,000). Democrats will not be successful in forcing a half billion dollar reduction. Forecast leaned to the view that the maximum surtax would be 25 per cent (it was made 20 per cent). Normal rates to be reduced and personal exemptions raised (this was borne out). Estate tax rates to be reduced, not repealed (correct). Forecast indicated that the corporation rate would be raised to 14 per cent (it was made 13½ per cent), and the capital stock tax repealed (this was done). Automobile tax to be reduced, not repealed (this was done). Indicated publicity would be retained (this was wrong).

**TARIFF.**—December: No general tariff revision at this session (correct). Tariff Commission not to be abolished, as so many seemed to think (correct).

**WORLD COURT.**—December: "Chances favor ratification." The forecast indicated a close vote, but the final vote was not close.

**FOREIGN DEBTS.**—December: Indicated that the Italian debt would be approved and that the French debt would be ratified only on condition that it was first approved by the French Parliament.

**RAILROADS.**—December: Indicated that voluntary railroad consolidation had good chance of passage at this session (wrong). Indicated that Gooding long-and-short haul bill could not pass (it was killed). Indicated that there would be no action to reduce rates on agricultural products, which many expected.

**AGRICULTURE.**—December: Indicated that the McFadden branch banking bill would be passed by the House, and Sec. 9 amended in the Senate (this happened) and that subsequently a compromise would be worked out and the bill enacted (the compromise was not effected and the bill was held in suspense).

**SHIPPING.**—December: Expressed doubt whether Congress would reorganize the Shipping Board (as many expected). January: Indicated that the Emergency Fleet Corporation would NOT be divorced from the Shipping Board at this session (correct; at the time the general opinion was that it would be done).

**RADIO.**—December: Indicated that the radio bill would be passed (it did not quite get through the final stage).

**COAL.**—December: Indicated that Congress would legislate emergency powers for the executive, and require government collection of coal facts (this proved wrong).

**POSTAL.**—January: Chances are against general lowering of rates (correct).

**PRICE MAINTENANCE.**—December: Indicated that neither price maintenance nor misbranding laws would pass (correct).

**WE APOLOGIZE** for unwittingly adding to the burdens of the taxpayer. Seven complete articles from the *NATION'S BUSINESS* have been read into the *Congressional Record* since January first. Our latest offense is when Senator Shipstead passed along to the subscribers of the *Record* the article "What Price Demagoguery?" by Julius Barnes, which appeared in February, 1925.

For the 5,000 words of his own, which the Senator added, we are not responsible.

**GLANCING** through a promotion pamphlet of the esteemed *Saturday Evening Post*, these words caught my attention: "Several of the more prominent of the monthly magazines print the work of not

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"Three trunk-line railway systems—the Atlanta, Birmingham and Atlantic, the Southern, the Atlantic Coast Line—will bring us raw materials and carry our goods to the twenty million prosperous consumers in the Southeast."

Florida is nearby. Georgia, Alabama, Tennessee, the Carolinas, and Mississippi are rich in natural resources and markets—with 133 cities and 1944 towns having salaried postmasters. St. Louis, Louisville, Cincinnati and Chicago are closer to Brunswick than they are to the North Atlantic.

"Our raw materials will flow easily, cheaply, to Brunswick. We can get iron from Birmingham, coal from Tennessee, or fuel oil from Mexico. Our clays and ochre will come from nearby Georgia points. Rosin and turpentine are produced in Brunswick in vast quantities. Pure water, a necessity, gushes from artesian wells.

"Production will be uninterrupted at Brunswick. The climate assures this. Winter temperature, warmed by the Gulf Stream, averages 59 degrees; summer, cooled by the ocean breezes, the weather bureau puts at 76 degrees. Cold will never push costs up, nor interfere with outdoor work."

more than twenty-five or thirty authors in the course of a year. By way of contrast the *Post* will print, this year, the work of fully 200 writers.

That set me wondering just how broad is our canvass?

How inclusive a picture of the nation's business and economics are we presenting?

A survey informs me that last year *NATION'S BUSINESS* published contributions from 153 writers; a majority of them men of recognized eminence in business and affairs.

**THE FORD-SMITH Machine Co., Ltd.,** Hamilton, Ontario, writes that *NATION'S BUSINESS* has no place in Canada. The letter goes on to say:

As far as we can see, there is no possibility of doing business with a country whose tariff policy is to keep everybody out, or as one writer in a New York paper referred to it the other day, "the quintessence of selfishness." There might be value in your paper to the people of other nations in learning how to look after oneself first, last and all the time.

Frankly spoken.

However, if our Canadian friend would but read *NATION'S BUSINESS* he would discover that last year 62.72 per cent of our total imports of four and a quarter billions were admitted duty free—that is to say, on an absolute free trade basis.

So, after all, we are only 37.28 per cent "selfish"—that's scarce the degree of saturation in selfishness to be termed the quintessence.

**I HAVE** a suspicion that F. M. White, Hollywood, California, is kidding when he writes:

I noticed an article in your magazine which ran like this: "If you're a Rotarian, a Babbitt, or a 100 per cent American—"

I plead ignorance. Is there such a club as the Babbitts? Can you give me the address?

Abating the idea that Mr. White is spoofing, the answer is, yes. There is a Babbitt Club. Its members are as the sands of the sea for number. Its address is every Americanwhere.

Wherever you find men interested a bit in the other fellow's welfare as well as their own—

Wherever you find men willing to quit butchering, baking and making candles long enough to go out and put over some necessary community drive while the drones sit back and kick and complain and criticize—

Wherever you find men making American cities and towns and country places better places for men, women and children to live—

Wherever you find men building up big enterprises, extending markets, encouraging invention, improving productive methods so that others may have continuing, congenial and profitable work—

Wherever you find men who, as Lincoln said, are trying to make two blades of grass grow where but one grew before—

There you'll find a local of the great American Order of Babbitts!

**THE** attention of the members of our Fewer-Laws Club is hereby directed to the organization of the Clean Language League of America, which has obtained a State Charter in Springfield, Ill. T. H. Russell, head of the organization, is quoted in the *Boston Post* as saying, "If we can't stop loose language by education, we will do so by legislation."

Oh, yes, there really ought to be a law—

*M.T.*





## Ten railroad presidents can say: "I was a Burlington man"

WHY IS THE Burlington known among railroad men everywhere as a wonderful training school—which has produced ten railroad presidents of today, a score or more of vice presidents and hundreds of officers for other roads?

Why has "a Burlington man" become a mark of character in the railroad world?

Seek the answer from Frank Knight, now 97, the oldest Burlington man. He recounts a dozen incidents in his 60 years on the Burlington that almost cost his life. And then—

"They were all in the day's work," he muses.

Burlington men are of that stamp. For them it was all in the day's work to run a regular passenger train from Chicago to Denver, 1,000 miles, for 355 days in one year without being late by a single minute—a world's record!

It was all in the day's work to take over the government mail on a half day's notice, to operate fast mail trains between Chicago and Omaha night and day for 41 unbroken years, successfully challenging all competition.

All in the day's work—to start a troop train to the Mexican border in 28 minutes, to con-



### For 75 Years

*The Burlington has completed seventy-five years of successful railroad service. The Burlington has never been in the hands of a receiver; it has never defaulted on a financial obligation. The Burlington has counted success as necessary to a useful existence. It knows no other way to provide the high class of service the public has demanded and which the Burlington has made its first purpose.*

*Alfred E. Hill*  
PRESIDENT OF THE BURLINGTON

ceive and put into service the first railway mail post office, to use air brakes first on the Burlington, to make the Burlington the largest carrier of summer tourists to the Rockies, to make the Burlington the largest food distributor in the world.

Traditionally, Burlington training has developed the man. Railroads have emergencies that can be handled not by a system but by men. It's the men who run it that make a railroad more than "a piece of paper with a state seal on it," said James J. Hill.

Resourceful men, prepared men, stand-on-their-own men—from pioneer days such have been Burlington men. Today, the spirit that welded an empire of thirteen states with 11,500 miles of steel conquers even greater tasks. In the strength of past success new records are achieved.

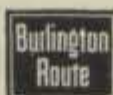
Now, in the service of the great country they helped to build, Burlington men daily win new tests of courage—that the business man may open his mail at a certain hour, that children may have food, that the everyday life of a thousand communities may be orderly—

That 30 million people may depend on the Burlington.

Such men have made the Chicago, Burlington & Quincy Railroad a successful railroad for 75 years. Today, 50,000 Burlington employees serve you with pride in that record and with the profit of that experience.

# The Burlington Route

The National Park Line



Everywhere West

11,500 MILES OF RAILROAD IN THIRTEEN STATES

When writing to CHICAGO, BURLINGTON & QUINCY RAILROAD please mention Nation's Business





# IMAGINATION

## THE BUSINESS BUILDER

### Which of these twenty advantages added to your product will make it more saleable?

**I**N these days of intensive competition, those manufacturing businesses are most safely equipped which maintain two invisible departments:

One:—the Department of Discontent, whose province is to ask, "How soon will someone else make a better product . . . and, when a better one is produced, what will happen in our markets?"

The other:—the Department of Imagination, whose duty is to say, "We will now find the way in which *our* product can be improved and its saleability increased."

To manufacturers who maintain these departments—we suggest this: "Investigate *DUCO'S* ability to improve other products—and learn what it may do to improve your product."

Just because your motor car is enduringly finished with DUCO, or because the new furniture in your home is beautified and protected by it, do not think of DUCO merely as an automobile or furniture finish.

It is applicable to practically *any* article of wood, metal, fibre or composites, and it adds definite new values to those products.

DUCO gives to every product on which it is used a richly lustrous surface, either transparent or colored, with the following additional qualities:

It dries so quickly that articles finished with it can be packed almost immediately.

It is astoundingly durable. It is waterproof—easily cleaned—non-absorbent—sanitary.

It is not affected by steam, boiling water, alkaline soaps, heat or cold, gases or oils, perspiration, salt air, dust or repeated cleaning. DUCO will not get sticky from heat or handling. It will not print, chip, crack or peel. It is hard to scratch.

DUCO may be had in a flat satin-like effect or a rich gloss.

Its quick-drying quality saves finishing time, labor time and factory space. It makes ovens or other artificial drying methods unnecessary. It may reduce the cost of finishing, and . . . it speeds up production!

Because of these distinctive improving-values, DUCO is already used by most of the larger manufacturers of automobiles, by more than seventy furniture manufacturers, and by hundreds of manufacturers of diversified products.

In order that you may know whether one or more of these new values may be added to your product, we freely offer the assistance of a DUCO Finishing Engineer. Write for a manual of information. E. I. du Pont de Nemours & Co., Inc., Chemical Products Division, Parlin, N. J., Chicago, San Francisco.



# DUCO

Unlike anything else . . . . .  
 . . . . . it is **DUCO**, the  
 beautiful enduring **FINISH**

There is only ONE Duco... DU PONT Duco



If you write to E. I. du Pont de Nemours & Co., Inc., please mention Nation's Business





# The Synthetic House of Tomorrow

By GERALD WENDT

Illustrations by Frank Murch

**S**YNTHETIC is a word that has come to have an evil sound—almost as bad as turpitude—but the home of the twentieth century is going to be synthetic. And, after all, synthesis, or composition, if you prefer Latin to Greek, is the highest goal of the chemist.

It is one thing to take substances apart by analysis, to learn what they are made of; it is quite another to put them together in new combinations and to produce new materials not found in nature. Such synthesis, much of the time, is an improvement on nature's product. And the chemist is now ready to revolutionize and improve our house-building habits by supplying new materials at a price to compete with the ancient and honored ones.

## Scientific Changes

**C**ONCRETE, stucco, composition roofings and floor coverings are here to stay; steel frames and even steel walls have been effectively used in model houses. Next will come composition floors, fire-proof, and of any desired hardness or color; resinoids in place of all interior wood-work including furniture; lacquered and washable walls in place of wall-paper; rayon textiles for draperies dipped in compositions so that they, too, can be washed with a sponge, and luminous paints which will give a soft natural light without consumption of energy.

With this will come further extension of electric power to heat the home by winter, and cool it throughout the summer. None of the suggestions is a vague dream; all are based on realities which are kept from popular use only by present cost figures. In the Stone Age man used what he could pick up. Raw meat and herbs for food, clubs and stones for weapons, caves for shelter, grasses and skins for clothing, animals

and logs for transportation—all were simple appropriations.

Next came the adaptive period when these rude essentials were mechanically modified for greater usefulness. The log became a wheel or a canoe, grass fibers and wool were woven into textiles, food was cooked, spears and swords were edged. But civilization became possible only when invention reached a third stage, that of creation, when new materials were produced which nature does not provide.

**O**NE NEED not be old to remember a world that did not know the telephone, the electric light, the automobile, the airplane or the radio.

The man who has lived half a century has seen a world made over, but his son in the next half century will see far greater changes.

Dr. Wendt, who draws this picture of how we shall live half a century from now, isn't a dreamer. As director of the Division of Industrial Research, Pennsylvania State College, he's a doer in the field of science. His vision of things to be isn't idle imagining; it is based on work now being done.

Two months ago we talked on this page of "The New Competition," the struggle for your business and mine, not between individuals, but between industries and materials, between copper and steel, between coal and oil, between leather and rubber, between bananas and beef. Business must keep itself awake as never before to the changes that come overnight.

Nothing has been more dramatic than the invasion of the textile field by rayon, or of the dye field by coal tar products. What would grandmother, with her one lifetime dress of black silk, think of her grand-daughter in the picture along-side, who wears silk or rayon to work, and who, as Dr. Wendt says, goes forth—

*Dressed in wood, dyed with coal.*



COURTESY  
AMERICAN RAYON  
PRODUCTS CORP.

## The Iron Age

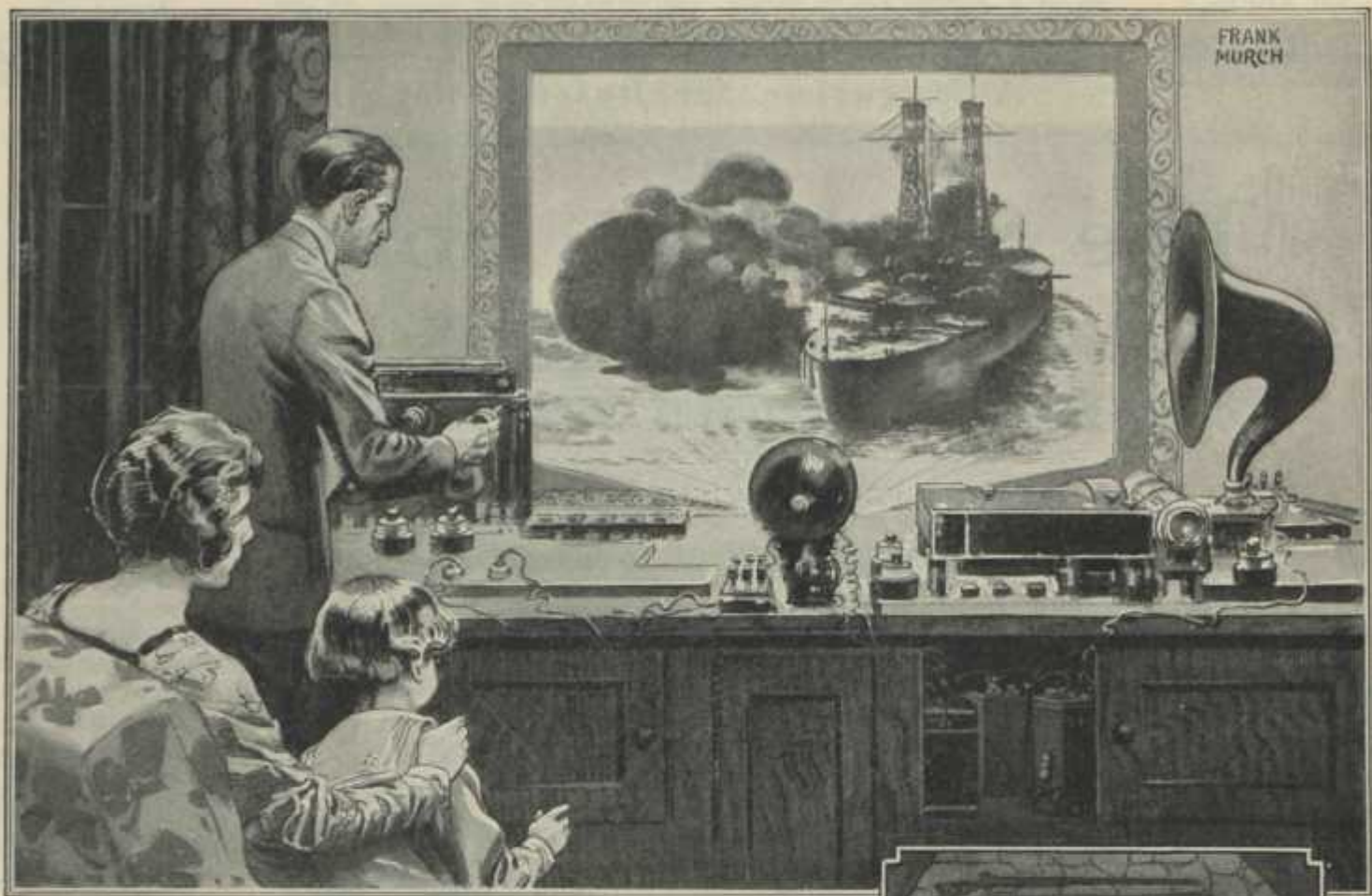
**T**HUS dawned the Iron Age, in which we are still living. The wheeled carriage is now an automobile, the latest textile is rayon, and weapons are T. N. T. and poison gas.

In almost every respect modern life is based on materials that are an improvement on nature. The one great exception is housing. There the "Iron Age" has not yet dawned. Our brick, stone and wood are but little removed from the Stone Age. The domestic hearth is the last refuge of conservatism.

Industrial construction was quick to adopt steel, concrete

and glass for their low cost, permanence, sanitation and safety from fire, and it is easy to predict that the next





World events, as they happen, will be shown in the "news room" of the home of the near future. As a center of interest, this room will probably take the place of the fireside, the last stand of conservatism. "I expect to see the next war," says Dr. Wendt

decade will see a similar complete revolution in our home-building.

There is the item of wood, for instance. When forests were our greatest obstacle, and trees the cheapest of all raw materials, it was natural to cut lumber for house-building.

Today wood is precious even beyond its price. Our disappearing forests are needed for a host of chemical products: for paper, for cellulose products such as collodion, celluloid, artificial leather, photographic films, oil-cloth, linoleums, artificial silk and lacquers, and for chemicals and solvents such as alcohols, acetone, acetic acid, and various oils and tars.

#### Wood Too Valuable to Use

**W**OOD is rapidly taking its place as a unique and valuable raw material which, like coal and petroleum, cannot indefinitely be used for the crude purposes of heat, power and construction. Its day as a fuel is gone; as a construction material, it will soon be replaced by more suitable and more economical materials which have come from the chemical laboratory.

What are these materials? One need look no further than the advertising columns. The June issue of *NATION'S BUSINESS* listed items totaling almost four million dollars being spent solely for national magazine advertising of lumber substitutes, and an estimate of approximately 30 million dollars as the annual promotion expense of these materials. Asbestos, brick, cements, tiles, steel, gypsum, asphalt, and various compositions for roofing and wall-board make up most of the list. They are here and are paying dividends. Yet it is quite safe to

say that if 10 per cent or even 1 per cent of the promotion cost were intelligently spent in research, every dwelling in the land would be using them. Even one-tenth of 1 per cent of the annual fire loss (which is now over 500 million dollars) so spent would probably eliminate lumber and ultimately nearly all the fire hazard.

The possibilities of steel as a domestic building material are just being realized. A number of model homes have recently been built on steel frames, and steel plates for walls have much to recommend them. A recent series of articles in the *Iron Age* makes steel appear as inevitable in this field because of permanence, safety and economy. Certainly when the corrosion problem has been solved and the new lacquers, such as Duco, become universal, steel dwelling walls will be irresistible, combining the strength and safety of factory construction with the sanitation of the Pullman car and the beauty of the automobile. Our present stone and wood construction, made prehistoric almost overnight, will pass out swiftly as the carriage did.

#### Cost of Synthetics Now High

**B**UT IT is in the interiors that the most startling changes will come. Walls, wall coverings, floors, woodwork and furniture will all be composition, or synthetic materials. For one example, take the molded plastics or resinoids, such as bakelite. For each of their present thousand uses there will be another thousand in a few years, especially if their cost of manufacture can be reduced, and this in turn, is merely a question of intelligent scientific research.



Not long ago these resinoids were "artificial amber" for use in beads, pipe-stems and cigarette-holders. Today, speaking of domestic uses only, they can be discovered everywhere as ash trays, door-knobs, lamp pulls, electric switch plates, drawer pulls, percolator handles, casters, picture frames, pencils, radio panels, and toilet seats.

#### Resinoid Furniture Will Come

**I**N ENGLAND they replace pottery and silver for fruit stands, card trays, bowls, and chinaware. Tea served in cups, saucers and plates made entirely of molded plastics is not uncommon. And tomorrow will come resinoid furniture. Desk-tops and dresser tops are already on the list. Lighted cigarettes may be laid on them and allowed to burn without damage. Water, inks, alcohol rubs, hair tonics and medicines may be spilled with no effect on the finish. Any color or texture is possible from clear and transparent to ebony.

By a new photographic-lithographic process the surface appearance of actual wood samples, be it mahogany, walnut or oak, can be so perfectly transferred to the resin that a wood expert can scarcely distinguish it from wood. No fire, no deterioration, no limits to decoration, finish or shape—ob-



viously such a material will replace wood for all furniture and interior fittings.

It is superior to wood in every respect except weight, and that may be overcome by hollow moldings, possible because of its great mechanical strength.

Present-day imagination is probably not capable of foreseeing the mechanical and artistic changes that it will produce, just as the skyscraper was not conceived until after the steel had been tried in use, and the automobile was just a horseless carriage in its first few years.

### Synthesis Is Keynote of Future

AND what are resinoids made of? Two very simple chemicals are combined, namely, formaldehyde and phenol. Natural gas, coal tar, and wood distillation products are the raw materials. It is an ideal case of using these great natural resources for their highest value, *i.e.*, as chemical materials. It is a symptom of the future.

That, however, is only the beginning of the story. It is impossible to go into details of research vision, but a few further developments are obvious. Floors will have a composition base, of course, whether concrete, asbestos or other stone substitutes. Even concrete is now tinted to give effects that no natural stone can equal.

Floor coverings also have a healthy future. Today's linoleum is quite a different thing from what we used to see in the kitchen. The artificial leathers and pyralins which are now used for automobile tops, seats, and artificial ivory can be adapted to any taste. Sanitary, noiseless, warm, gay or quiet in color as desired, they will replace not only wooden floors but the rug and carpet as well. These again are cellulose or wood products.

### Rayon vs Silk

ANOTHER cellulose product, which should go far to cheer the lumber industry if my predictions have appeared painful, is rayon—artificial silk. Five years ago I should hardly have dared to predict that women's daintiest clothes would be made from wood and that the ancient and lowly silk worm had a competitor. Fifty years ago the same was true of dyestuffs. Yet today behold her in all her splendor—clothed in wood, dyed with coal. The world has moved and moves daily faster. The new competition demands nothing more than scientific foresight.

Our house, then, with concrete foundation, steel walls, synthetic stone floor bases, surfaces of rubber, leather or cellulose compositions, draperies and curtains of rayon, furniture of molded resinoids, does begin to look synthetic.

There are further possibilities in the wall surfaces. Finish them as you wish in plaster, steel, textiles, resinoid panels or even, just for

a touch of the old-fashioned, in wall-paper. Or, if you have wealth, decorate any of these materials with mural paintings in oil.

Then you will have the surface made permanent by a coat of one of the new cellulose lacquers, sprayed on, quick drying, and permanent. No house wall, interior or exterior, will have to stand what the modern automobile and the railroad car are standing cheerfully under their film of lacquer.

For house-cleaning just a sponge and water; for redecorating, in case the passing generations tire of the same old walls, just a sponge and the right solvent to remove the finish. Even the rayon draperies will be sprayed with lacquer and washed with a sponge.

Note that each change suggested makes the house more sanitary and more fireproof. The completely synthetic house need never be dirty and can never burn. At the same time the architectural and decorative possibilities are greatly enhanced because the finishes are capable of infinite variation in color, texture and design. Finally, construction costs will also decrease either because

of standardized interchangeable parts, as in the case of steel, or because of easy methods of application. The only person who needs to worry is the high-priced carpenter.

New materials, however, are not the only gifts in the lap of the future. There will be much more glass—its own a synthetic chemical product. Modern medical research has demonstrated overwhelmingly the healthful action of sunlight, and especially of the extreme violet rays which our present window glass shuts out.

Hundreds of thousands of hens are increasing their winter egg production by spending their evenings under electric lighting. Special ultra-violet illumination not only increases egg-laying, but increases the hatchability of the eggs. Even inert and prepared foodstuffs are enriched in certain vitamins by exposure to ultra-violet light.

### Sleeping Under Violet Lights

SO WE shall have new glasses which are transparent to these healthful chemical rays. Our houses will have sun-rooms, which probably will be on the roof. As we substitute wood beams with steel the old steep roofs will disappear. Their only purpose was to shed or carry safely the heavy loads of winter snow. Steel or concrete buildings

will have flat roofs, hence increased usable space, and usually a sun-garden, light bath, and open-air sleeping quarters on the roof.

If man will learn a hard lesson from the modern woman he, too, will decrease his clothing and increase his vigor. If he learns from the chickens he may even sleep, unclothed by night, under powerful ultra-violet lights. These, however, are large ifs. How to change human habits, to substitute wisdom for habit and tradition, is a branch of the science of psychology in which research has hardly begun.

### Cold Light

OUR INDOOR lighting, in spite of great recent strides, is still hopelessly inefficient. Some 95 per cent of the electric power goes into useless heat; only 5 per cent is emitted as light. Cold light is still one of the most desirable of all inventions and research to that end should be handsomely financed. It will probably require all of Einstein, relativity, and electron theory, but some day the answer will come if fundamental science is encouraged.

But even today we have materials that are a 100 per cent efficient in light emission. These are the various phosphorescent materials like barium sulfide and zinc sulfide. When properly prepared these will take up large amounts of light energy, and will re-emit all the light when placed in the dark. They have been used to dramatic effect for stage costumes in one of our extra-



Headlights will be supplanted when the roads absorb sunlight during the day and give it off at night, becoming great luminous ribbons



giant revues. It takes an extravagant occasion to pay for them now, but the point is that it can be done. More study, a little improvement, large-scale production, and presto, we shall have cheap luminous paints to take up sunlight by day and light our houses by night without consumption of power. They will be used for ceilings, of course.

The effect of such soft, diffused natural light as compared even to our best indirect lighting systems can hardly be imagined. The cost will be only the original cost of the paint. The color can be any desired, since the principles of coloration are already established, and materials are available to give any color of phosphorescence from violet to red.

When these materials are cheap, they will have important applications outside the home. They would, for instance, be applied to the concrete of our streets and country roads. Each road would be a ribbon of soft natural light. It is the only answer to the headlight nuisance. The tremendous saving in electric power is obvious.

We are, however, wandering from home as we do with a car. If electricity will be less used for light it will have far greater opportunities in other directions. The cost of power is already so low in some parts of the country that the electric cooking range is there found in nearly every house. No one who has used it would willingly return

to any other type. As costs become lower our domestic heating systems will be entirely electric. Direct hot-wire radiators or electric steam generators are thoroughly feasible and only await the day of super-power to be economical.

If electricity thus supplants coal, oil and gas in winter, it will do an even better job in summer. Electric refrigeration is here. Many such refrigerators are on the market, nearly all of them superior to the old ice-delivery. A few more steps down in the cost of power and each room will have its brine-cooler, electrically operated to cool the summer air. The same thermostat will control automatically and quite as exactly to the desired temperature in summer as in winter.

### Domestic Slavery to Pass

WITH the lower cost of power will, of course, also come a complete use of the many electric motor devices, such as vacuum sweepers, which are already available. Domestic slavery will be reduced to a minimum. Electricity is the willing slave on which our civilization, both city and country, will increasingly depend. And all he requires is understanding, which means more physics and more chemistry.

And no home is complete without the radio. As the years pass the new toy is becoming a necessity. One great stride it has yet to make, which will do what the self-

starter did to the automobile; namely, put one in every home. That is the development of the transmission of moving pictures "on the air." Single pictures are already being sent across the sea by this method. When a more sensitive photo-electric cell is developed a picture will be transmitted as rapidly as the movie can flash it on the screen. Then we shall have movies in every home.

And that is not all. If such pictures can be sent then events can be sent, too. I expect not only to hear the inauguration of the next President in 1929 but to see it, though I may be thousands of miles from Washington. The microphone will have alongside it what ought to be called a microscope, and I shall be sitting in my own living-room seeing and hearing the entire performance as if I were on the spot.

The next war—surely by then the thing will have been done—will be seen and heard around the world at the moment it is taking place, and the stay-at-homes will at last learn what war really is.

But we were thinking about the house. It brings my final suggestion—that the house of the future will have a movie room, or, better still, a news-room, where, by a turn of the dial, we shall be able to tune in and look in on Los Angeles, Miami, London, the North Pole or the ringside. It will be the center of the house, like the old Roman atrium. It will be the triumph of science.

## "If I Were Dictator"

By DAVID A. REED

U. S. Senator from Pennsylvania

IF I WERE a dictator I would abolish the Federal Trade Commission this morning, the Shipping Board tonight and the Interstate Commerce Commission tomorrow.

Fussy government meddling in other men's business has brought us to the plain inevitable conclusion that it is time for this country to get back to that self-reliant freedom on which Anglo-Saxons have always succeeded.

I am fully convinced of the soundness of the old axiom that "the least government is the best government"; that there is a point beyond which the immediate benefit of governmental action is outweighed by its meddlesomeness and its paternalistic interference with the liberty of the individual.

To take a homely illustration: None of us likes to see the grass plots of our public parks trodden bare. Each of us feels a certain sympathy with the erection of signs here and there cautioning people to keep off the grass; but it is conceivable that most of the beauty of the park may be destroyed for everyone by making such signs too big and by sticking them around in too great abundance.

Now that is what I think we are in danger of doing in all our governmental activities in the United States. We are carrying the restrictions too far. We are harassing everybody too much in our efforts to forestall every evil. We are pestering innocent persons too often by our attempts to catch the crook. We are inspecting too minutely; investigating too far. Our government has become too much of a busybody. We have too many regulatory commissions—too much government on every hand.

The average citizen rises in the morning

and washes in water furnished by a company regulated by the public service commission. His breakfast is cooked by gas, similarly

*WRITING on "The High Cost of Investigating" in NATION'S BUSINESS last month, Representative Martin B. Madden brought out that the Senate had spent a million and a half for inquiries and investigations since 1910.*

*And early in June Senator Wesley Jones had read into the record the itemized costs of the Federal Trade Commission's investigations since its organization in 1915. Its costs totalled \$3,282,593.75, itemized as follows:*

Gasoline.....	\$100,675.88
Anthracite.....	50,447.17
Farm implements.....	104,065.78
Milk.....	65,432.70
Cotton yarn.....	54,721.55
Pacific coast petroleum.....	61,282.30
Commercial feeds.....	42,453.21
Sugar supply.....	42,453.21
Shoe costs and prices.....	47,838.48
Tobacco prices.....	36,202.73
Export grain.....	103,703.14
House furnishings.....	133,048.09
Cotton trade.....	89,800.80
National wealth.....	147,670.04
Bread.....	101,828.10
Electric power industry.....	54,831.80
Food inquiry.....	635,665.55
War time cost finding.....	1,320,502.14
Gasoline.....	36,480.72
Lumber associations.....	28,604.81
Miscellaneous.....	110,180.36
Total.....	\$3,282,593.75

owned or regulated by the Government. His breakfast bacon has been inspected by agents of the Department of Agriculture to see that

it conforms to the pure food law. He rides to work in a trolley or on a railroad whose every action is controlled by various public service commissions.

The first lien on his day's earnings belongs to the income tax collector so he must keep his books as directed by the Secretary of the Treasury. The bank to which he goes to make a deposit or get a loan is inspected by the Government and lives in daily terror of the comptroller of the currency. During the day he is visited by a field agent of the Treasury Department who pries into and criticizes his most intimate business affairs and perhaps by a representative of the Attorney General in Washington who subpoenas him to testify before a distant grand jury in another state in a proceeding in which he may have little or no interest.

Towards the end of the day, his wife calls for him in the family automobile, duly licensed by the state government, and they drive slowly home, watching carefully for the signals of the traffic police and stopping on the way to buy a fresh supply of gasoline, on which they pay a government tax of three cents a gallon. After a dinner of beef-steak which has been duly inspected by government agents at the packing house, they go to the movies to see a film which has passed the state censor and finally return home blissfully thinking they are free citizens of a free country.

Business twenty-five years ago in a large measure was run by the men who owned it. There was full and free scope for individual initiative. The man who was assertive, forward moving, daring, put across the schemes he had in view. If he won, he kept his winnings. If he lost, he paid his losses and





Cartoon by Albert T. Reid

started again. Nothing but his own self-interest and a comparatively simple moral code operated to regulate his policies and activities. New businesses were established and grew great almost overnight. Our country's natural resources were tapped as never before and seemed to pour out inexhaustible riches. We were on the upgrade. Economy mattered less than imagination; carefulness was less important than enterprise. We could afford to carry the growing burden of government and we could look unmoved on each new governmental experiment, for whether it succeeded or failed our broadening shoulders were strong enough to bear the cost.

But now, according to the economists, we have a different outlook before us. We have ahead of us a considerable period of excessive competition, not only within our own country where a productive capacity beyond our normal needs was brought into existence by the demands of the war, but with other countries which must sell in competition with us if their industrial life is to continue.

### Railroads Have Been Hurt

**B**EFORE we entered upon the present era of wholesale government regulation, our railroads rendered a service that was remarkably fine—the best of all the railroads in the world. They rendered it for a rate that was lower per ton per mile than was charged in any other country in the world. They competed in furnishing service and competition kept the service good and held the rates down. The best young men we had in America went into railroading as a profession for life. The executives of the railroads devoted themselves to the business of railroading and did not spend so much of their time trying to arrange to have the Interstate Commerce Commission made up of men who would be kind to the carriers, as some of them do nowadays. They were quite willing to stand upon their own merits.

Since then, we, meaning the Government, have undertaken to show the railroads how to run their business. We have adopted grandmotherly policies of regulation, so that all of a railroad's income and 80 per cent of its outgo is regulated by some commission or other. As a consequence, the free play of economic conditions has been so throttled that at the beginning of war days, when prices were mounting on all sides, the railroad rates could not mount with them and the roads were almost bankrupt. At the end of the war prices started going down and

again the railroad rates could not keep pace downward with them and regulation.

We created this whole bewildering labyrinth of governmental control of railways primarily to protect the public against rebating, discrimination and excessive rates. We could have dealt adequately with the first two by comparatively simple penal laws and competition was much more effective in meeting the problem of unreasonable rates in 1900 than government agencies are today. What the public is chiefly interested in obtaining from the railroads are good service and reasonable rates. I do not hesitate to make the assertion that in seeking to accomplish that object through the Interstate Commerce Commission our efforts have been a complete failure.

### Spending the Carriers' Money

**W**E have enacted complicated and cumbersome legislation, setting up costly systems of accounting and requiring the railroads to maintain expensive corps of highly paid lawyers. Enormous clerical staffs, costing millions of dollars annually, are employed by the roads in their efforts to comply with the requirements of the Interstate Commerce Commission to prepare and file reports on every subject under the sun relating to railroads. That commission now receives five thousand reports each day. Much of it is sheer waste. The cost, however, must all come out of rates and the public must pay the bill. I am seeking now to ascertain how many of these reports are of value and how many are practically worthless and I expect to propose measures for curtailing the practice. Many of the reports, I am convinced, could be dispensed with at once without the slightest injury to the public interest. They merely serve the purpose of annoying the railroads, boosting rates to the public and cluttering up the pigeonholes of the Interstate Commerce Commission.

Yet we talk of adding more and more

pages to railway legislation. In my judgment, we would do a great deal better to scrap the whole hampering system of governmental interference and trust the men who are the inspiration of American business today, punishing them only when they do wrong and not every day, right or wrong.

### A Remedy Is Suggested

**I** SAY: Sweep the whole awkward mechanism of restriction out of existence.

Of course, I know the answer to this—that the railroads of the country cannot live unless these commissions, federal and state, stand there today like stilts to hold their rates up. I concede that some of them, the badly financed and poorly operated ones, probably would undergo reorganization but if we want the railroads to be revived and desire to put the able railroad men of the country back on their feet where they belong, we have got to turn them free and let them shift for themselves like other self-reliant Americans.

What I have said about the Interstate Commerce Commission and its relationship to the railroads goes also for the Federal Trade Commission and its effect on business generally. It likewise applies with equal effect to the United States Shipping Board and the restrictive shipping legislation Congress has enacted.

Time was when the American merchant marine dominated the ocean-going commerce of the world. Our fast vessels with their smart Yankee skippers sailed the seven seas and carried the cargoes of all nations. Shippers sought American vessels first because they knew they could get the best service and lowest rates from them. Today we have all but harassed American shipping from the seas. We are doing far more damage to the business interests of America than all their offenses could have caused the community if those commissions had never been created.

### The Question of Supervision

**W**ELL, what is to be done about it? The inquiry is a natural one. If we abolish all these commissions and bureaus will we not find our railroads giving rebates, our packers selling bad meat, our movies producing vile films? Aren't these commissions all necessary? The answer, I think, depends upon one's conception of freedom under government. I personally believe that we would do much better to punish the evil doer than



to hobble all men so as to prevent their doing evil.

If we wanted to prevent the heinous crime of stealing chickens, I believe I would prefer to punish the proven thief rather than establish a system of registration and licensing and inspection of all poultry. In the same way, I believe we could prevent railroad rate discrimination and rebating just as effectively and far more cheaply and much less annoyingly if we abolished a few commissions and confined ourselves to punishing proven offenders.

### Must Think of the Outcome

WE must begin not only to take stock of the cost of our vast encroachments upon the freedom of the individual but also to look into the future and try to picture the logical outcome of these efforts to reverse economic law by legislative nostrums. We must go to one extreme or the other. Either all our commercial life must be regulated by governmental commissions or all commerce must be liberated so that natural laws of trade are

allowed to have full play. Government meddling which results in protecting one group of industries while leaving others without protection will not be tolerated in this nation. I believe that free competition in every branch of business is the only policy our people will approve in the future.

I strongly endorse the slogan of the party now in power: "More business in government and less government in business."

Some praiseworthy achievements towards carrying that excellent doctrine into practice are being recorded under the present administration but much still remains to be done and we must practice eternal vigilance to guard against the possibility of a revival of paternalistic and socialistic schemes of government in the future. We see these things cropping out from time to time. Some individual or group always has a pet theory to work into legislation, and under certain circumstances of discontent they find a ready response among classes of voters and in the halls of Congress. We have just witnessed a striking illustration of the point I am seek-

ing to make in some of the radical farm legislation considered during the past session of Congress. Unless we can definitely check the tendency to enlarge our federal powers and get back to first principles as they were conceived by the founders of the republic our whole form of government must change.

I realize that mine may be a voice crying in the wilderness. I hardly expect the majority to agree with me today. At some time in the future I am confident they will. All the legislative inventions, however alluring to the credulous, cannot make the streams of economic law run uphill.

### Would Abolish Three Boards

NOTHING is to be gained by patching poultices on the things which we know to be fundamentally wrong. And so, as I said in the beginning, if I had my way I would abolish the Interstate Commerce Commission, the Federal Trade Commission and the Shipping Board overnight. That would wipe the slate clean and give us a fresh start. I feel certain it would have a wholesome effect.

# The Golden Rule, Plus Sound Business

By SILAS BENT

ON THE cover of an autobiography written by Golden Rule Nash, his clothing enterprise is described as "the great miracle of the modern business world." As a fact no greater miracle has been worked there than may be worked anywhere by sound manufacturing practices and adroit selling. Not the Golden Rule, I am convinced, but superb business methods have brought a turnover which, on the face of it, has an almost miraculous look. Let me set down the figures here:

1918.....	\$132,190
1919.....	525,678
1920.....	1,580,700
1921.....	2,077,559
1922.....	3,751,181
1923.....	5,958,503
1924.....	9,245,429
1925.....	12,350,000

Note that the panic of 1921-22, which wiped out more than one manufacturer of men's clothing, caused no setback in the advance. Here is a business which has multiplied in eight years by ninety-fold, and is swimming along this year at the rate of twenty million dollars.

### Some Think Rule Only Factor

MANY devout church folk accept this amazing prosperity as an outcome solely of the "underlying spiritual principles" which Arthur Nash has "applied literally to his business," to quote again the publisher's announcement on the cover of his book. He himself says that this principle has been "made to work successfully and not merely as a sacrificial ideal—for the mutual well-being of mankind, and to the glory of God." Reams of well-meaning publicity have been written to that theme. But the plain truth is that modern American business shrewdness deserves the credit.

Mr. Nash, aside from his gifts as a religious leader, has mastered important problems of production and distribution. To attribute his success solely to the operation of the Golden Rule, therefore, is quite inaccurate. The truth is that the economies he

has effected, in the manufacture and sale of his product, would have brought handsome returns to anyone.

His methods might be adopted to advantage, perhaps, in some other plants. An examination of those methods recently persuaded this reporter, himself no scoffer, that Christianity had precious little to do with Nash dividends.

### The Founder Once a Preacher

TO begin with, Mr. Nash, who was trained for the ministry and once occupied a pulpit, says himself that he was a better clothing salesman than preacher, although he never had any special training as a salesman. His equipment for selling is a natural endowment: sincerity, clear-headedness, initiative and tact. He was in his middle forties before he found out that these qualities could be turned to good account in the business world.

One of the first things Mr. Nash noted, as salesman to mid-western retail trade, was the costliness of retailing, as it was practiced then. He did not analyze the expenses, but it is possible to get a fair notion of what he observed by looking into the same sort of costs nowadays.

A study of retail clothing distribution by the Bureau of Business Research at the Northwestern University School of Commerce, in conjunction with the National Association of Retail Clothiers, showed that the wages and salaries, advertising and certain minor expenses per \$100 of retail sales ran a little above \$10. The figures varied according to certain types of retail stores and according to the quality of goods handled.

That 10 per cent, however, represents only a fraction of the expense of retail selling; it takes no account of rent, insurance, interest on investment, delivery, "mark downs," and the other familiar details of store operation. Leo Wolman, professor of economics at the New School of Social Research, who has made a special study of this branch of commerce, is my authority for saying that the cost of retailing runs from

40 to 60 per cent of the wholesale selling price of a man's suit of clothes; and that 50 per cent is a just average, taking the country as a whole.

That is to say, the shopkeeper must get \$45 for a suit which costs him \$30 at wholesale, if he is to make a fair profit.

There are no jobbers in the men's clothing trade. Manufacturers sell direct to the retailer; and this expense runs, on an average, between 20 and 25 per cent of the total cost of the garment—that is, of the cost as represented by a finished suit in the factory. Obviously, the cost of getting a suit which stands the manufacturer \$12 for materials and labor into the hands of the retailer is less than the expense of moving from the factory to the store a suit which, completed, represents \$25.

These are the figures, roughly, paid for the distribution of ready-to-wear men's suits. We may put it in this way: A finished garment which represents \$25 in the factory costs the purchaser in a men's clothing shop \$45. The \$12 suit grows in price to \$21.60, or thereabout.

Mr. Nash was a pioneer in selling men's clothes direct to the consumer. It was thus he undertook to reduce the expenses of retail distribution. At the end of last year he was selling for \$23.50 a serviceable, made-to-measure, three-piece suit, containing no shoddy (he buys about 80 per cent of his stock from the American Woolen Company), and he was paying the salesman \$3.50 as commission. This commission was paid in cash when the suit was ordered; the balance, plus parcel post, when it was delivered.

### Has No Traveling Salesmen

HERE let us set down two points: Mr. Nash has no traveling salesmen. He has 2,000 community salesmen, who work only in their immediate neighborhood. Some of them are preachers, and work only part time; those who work full time average, so Mr. Nash tells me, \$100 a week.

However carefully measurements were followed in the Cincinnati shops, it often happened that suits must be sent back to be al-



tered. This cost, Mr. Nash noted, was about 12 per cent of the selling price. The delay while the suit was being sent back and forth, moreover, was calculated to cause ill-will. So a series of "service stations," now numbering fifty-six, was established, where necessary adjustments are made. In this way a better feeling was created, and the alteration expense was reduced to 11 per cent.

Now let us see what becomes of the consumer's dollar. The merchandise, the materials in his garment (including  $3\frac{1}{2}$  yards of woolen cloth) cost 55 cents of the dollar; the manufacturing cost, 26 cents; the selling and general administration costs, 15.5 cents. Out of the balance (5.5 cents) must come taxes, dividends on the stock, and so on. The actual net profit last year was 1.4 per cent on the turnover. These are the figures as I get them at the Cincinnati plant.

#### Abandoned Breweries Used

IF you will look in at the huge Nash shops, housed for the most part in abandoned distillery and brewery buildings, you will observe that the garments pass from one table to another, and from one machine to another, with great celerity, and that no worker has any loafing time if he or she (about two-thirds of the 3,000 employees are women) is to keep up with the procession. You have here, in fact, or had at the time which we are discussing, toward the close of last year, mass production according to Ford methods, with each employee doing his or her tiny bit toward the completed garment.

It was not last year that I visited the plant, but a short while ago. I have chosen the earlier period for preliminary discussion because at the beginning of this year an important change took place in the plant. It was unionized.

The workers, after three days of eloquent persuasion by Mr. Nash

(an odd situation this, you must admit, when a manufacturer begs his reluctant employees to organize), joined the Amalgamated Clothing Workers of America, often described as the most intelligent and progressive trades-union in this country.

To the Amalgamated the whole arsenal of labor warfare is as obsolete as a pre-Jutland battleship.

A short time before this happened, Mr. Nash had bought out a competitor, whose plant was so inefficiently managed that it lost in prosperous 1925 about \$68,000. The new owner could have reorganized this unit and put it on a better basis, for he is a competent business man; instead, he turned it over to Mr. Hillman and his associates. Such economies of manufacture were effected that, although the pay of the workers was increased on an average by 20 per cent, the plant is now running at the rate of 150,000 suits for 1926, with the assurance, so I am informed, that the \$68,000 deficit will be turned into at least a \$68,000 gross profit.

#### Wages Raised Five Per Cent

THE entrance into the union meant that throughout the whole Nash plant wages were increased by an average of about 5 per cent; yet just afterward, Mr. Nash asked ratification by the employees, who own nearly half the stock of the million-dollar concern, of a reduction to \$23 in the selling price of the Nash suit.

The fifty-cent decrease was voted, and Mr. Nash said cheerfully that he expected to do a bigger and better business this year than ever before.

Let us now consider certain facts about the Nash plant before and after taking the union.

In a three-piece man's suit there are about 55,000 stitches. A merchant tailor puts in 15,000 of these on a machine, 40,000 by hand. The Nash

system reverses the process. There are 135 operations on the suit, which in a merchant tailor's shop may be handled by two or three men.

In the Nash plant a different expert handles each of them.

#### A Chain of Retail Stores

NOT content with these economies Mr. Nash is building up a chain of retail stores to sell ready-made garments and take some of the seasonal slack out of the industry. When I talked with him, he had twelve of these in operation. When garments are made for ready-to-wear commerce, they can be cut out by machines, thirty at a clip. Owing to this fact, and its saving in the time of a skilled cutter, the Nash ready-made suit sells for one dollar less than the suit tailored to your measure.

The one place where Mr. Nash could effect a saving, investigation showed, was in the cutting!

Singularly enough, the chain stores do not interfere with the business of the salesmen already on the job in that community. On the contrary, they have proved mutually helpful.

When a salesman's customer is in a hurry for his suit, he is sent to a chain store to get one ready made; and when chain-store customers are dissatisfied with the fit of a garment, but like the pattern of the cloth, they are referred to a salesman to take their measure.

Mr. Nash expects to lengthen this chain rapidly.

#### Popular Theory an Illusion

ENOUGH has been said, perhaps, to dissipate the illusion, which seems to be widely prevalent (for the Nash plant has received much publicity) that its extraordinary growth has been the fruit of the Golden Rule and nothing else.

But I submit, even on this sketchy record, that his plant manifests the Golden Rule *plus*.



WIDE WORLD, N. Y.  
Golden Rule Nash (right) not only took his employees into his confidence, but worked out profit-sharing schemes for them and even urged them to organize themselves. But the remarkable success of the Nash clothing enterprise is due to shrewd, sound business methods as well as the application of the Golden Rule.



# These Charming Sophisticates;

By  
CHARLES DRISCOLL

IT SEEMS that a rather unpleasant state of affairs has arisen over at the Caviar Club, where my friend, George Waterman, takes some of his meals. It's come on gradually, George says. Well, it's been on the way ever since a certain Mr. Sinclair Lewis made a lot of people self-conscious by writing a piece for the publishers about one George F. Babbitt.

The Caviars are chiefly literary, semi-literary and kind-of-literary fellows, and as soon as they heard about Babbitt, they seemed to feel that it was up to each of them to prove that he was not the man referred to in the book. Within seven days after America discovered Sinclair Lewis, the custom of occasionally emphasizing a resounding greeting with a friendly slap on the back or shoulder was discarded. The trouble has gone right on and on from there.

## Exclusive Caviar Club Members

WELL, you see how it happened. These boys of the exclusive and somewhat literary Caviar Club couldn't let it be said that they were, are, or will be anything at all like the Babbitts and the boobys. Yes, somebody down in Baltimore mentioned something about boobys, and so there was something more to worry about. The boys at the Caviar Club began to act real constrained at meals.

Little by little, the fellows discovered that they were all Sophisticates. No, that's nothing like Sophomores. It comes from the same root, but it's an entirely separate branch of the family, I assure you. Having discovered that they were Sophisticates, the clubfellows were confronted with the necessity of acting in a sophisticated manner.

It really has been a strain, according to Waterman. Naturally, the table conversation had to be sifted, and all obvious and banal remarks had to be suppressed. Harold Brownlee, a newspaper columnist, has been particularly severe about this phase of the club life. It was he who introduced the custom of frowning upon all sorts of greetings, such as "Hello!" "How do you do?" and "How's the old man today?"

Harold had the right dope on the greeting stuff, everybody admitted. Greetings are banal. We've all heard them before, and we all know that our friend doesn't really feel any great curiosity about our health when he says "How do you do?" Well, the crowd just sort of agreed that it was pure boobyism, worthy of the very worst traditions of the Bible belt, for adults to be saying such things to one another. So the Caviars have been coming into their lounge and dining room and staring solemnly at one another. When anybody had anything to say, he said it. That is, he did along there at first, when the clubbers were just beginning to realize that they are superior and Sophisticated.

Lately, however, Waterman assures me, talk has ceased altogether, except in one form. The members still talk about themselves. It is still good form for a Caviar to talk from soup to pudding about his own latest play, his forthcoming book, or his contemplated work of art. Old-fashioned



ideas of modesty have been thrown overboard, of course. Some member of the club found something in Nietzsche about the folly of being modest, and at once everybody recognized modesty as a middle-class virtue, unworthy of Sophisticates. So the boys talk about themselves.

## Common Topics Are Taboo

BUT ALL common topics of conversation are taboo. For instance, suppose some fellow should say, "This hot weather is hard on my temper. I really feel a little uneasy all day, because I was so cranky at breakfast this morning that I think I must have offended my wife and children. Smith, who lives next door, was saying—"

Now, it's just impossible to suppose that anybody in his right mind would say anything like that at the Caviar Club, or in any other group of Sophisticates, but we'll suppose it anyway, to see what will happen. You don't talk about the weather among Sophisticates, because weather is a favorite topic of conversation in Wichita and Fort Worth, and among ordinary people wherever found. Sophistication would be of no use to

anybody if it did not make him discriminative on such subjects as this.

Then again, the rashly supposed talker said something about his wife. Sophisticates don't do that. If a Caviar happens to be married, he makes the best of a bad situation, and refers to the wife, if at all, as "Miss Bingo," or whatever her name was before he met her. A Sophisticate may be unable to annul the circumstance that he is married, but at least he can avoid the appearance of such evil by calling his wife by her maiden name. The wives of the Caviars seem to agree that this is all right. Probably they recognize the fact that it creates at least an unsubstantial illusion of not being married to a Sophisticate, and of course, in that case, you can't blame the girls a bit.

Mentioning the children, too, would get a fellow in bad over at the Caviar Club, as George Waterman explains the situation to me. A good many of the members have no children whatever, and those who do have children at home are keeping still about it when in the company of their fellow-Sophisticates. I can't tell you just what it is about children that makes them



# They're Babbitts Too, Sometimes

Cartoons by  
Charles Dunn



Caught behaving just like a Babbitt was Basil Con Gregory, the most sophisticated of all the sophisticates. What shame!

matchless satire! Why, Gregory doubtless could have started an anti-salesman magazine of his own if he had only had time. But he was busy writing artistic novels.

Well, now maybe you have some appreciation of the heights that Basil Con Gregory had reached before the scandal came out on him. And this was how it happened. A committee of the club went out to Gregory's home, up on the Hudson some distance outside New York City, to approach him on the subject of writing the scenario for the annual Calamity Night performance. The Caviar Club, you know, gives the most Sophisticated of all the annual nights, and calls it Calamity Night. In the past the show has been getting better and better, and more and more a thing that could be understood by the Intelligentsia only.

It was just about decided that nobody but Gregory could do the thing justice, and the committee went out to ask him about doing the scenario. One doesn't call Gregory on the telephone, you know. That is rather too plebeian for a fellow of his Sophistication. Butchers and preachers use telephones.

## Findings of the Committee

EVERYTHING was all right until the committee, headed by Scott Beaver, the comic strip artist, arrived at the Gregory home and passed before a large window on the way to the front door. One glance into that room, and they all stood still and took another glance. There was Gregory, down on his hands and knees on the floor, playing walk-a-bear with his two little kids, in front of the fireplace! Miss Gloria Blotsky, Gregory's wife, sat there darned something that looked suspiciously like a sock, and laughed at the antics of the make-believe bears.

The committeemen could hardly believe the evidence of their sense of sight. They entered the room sad and disillusioned men. Basil Con Gregory realized at once that he had been caught, and did not look his guests in the eyes. He did his best to put up a brave show, and Miss Blotsky brought in a bushel basket full of different kinds of whisky, which was duly consumed by the party, but there was no use trying to hide old Gregory's shame.

He had been caught behaving just like a Babbitt, romping with his own children before his own fireplace, and his rule was broken. He has never dared to lift his voice in the counsels of the Caviar Club since that night, and his young followers have taken the Ultra-Violet Movement away from him. All the really Intellectual clubbers now regard Basil Con as almost a Go-Getter.

Forman Troost was given the job of writing the scenario, when Gregory was found out. Troost, they say, can have anything he wants at the High Hat Club, and among the Young Intellectuals generally, since his play, "Thunder," made such a tremendous hit at the Pillbox Theater. It was a fine play, altogether in the new style, and awfully intelligent. Waterman took me as his guest to the first night performance, and I don't think I have ever seen such an Intellectual audience as was there. All the

taboo in super-intelligent conversation, but there it is. Mention the kids and you're sunk, that's all.

The worst scandal of all, I'm told, involved Basil Con Gregory himself, and it has shaken the Club from sub-basement to roof-bungalow. Basil Con Gregory was the patron saint of the Caviar Club, and was looked upon as the mainstay of the Ultra-Violet Literary Movement. He originated a theory of life that is so sophisticated that it simply can't be expressed, and he has written five novels embodying the practical application of the theory.

I read all five of Basil Con Gregory's novels, on account of feeling sort of acquainted with him through hearing George Waterman tell about the great author. Each of the books has the same plot as the others, but I do not know what the plot is. The characters just drive real fast and drink stunning quantities of intoxicants, and the women swear a good deal like my father's farm hands used to swear, when I was a youngster in Kansas. Each book has five or six boudoir chapters in it, but the words are put together in such unique fashion,

following the new syntax of the Ultra-Violet School, that it's perfectly safe for anybody to read. The book reviewers particularly praised the last three chapters of "Black Devils" the latest of Gregory's novels. These brilliant chapters were made by copying a news ticker tape backwards and tying it into lovers' knots every five feet or so. That's part of the technique of the Ultra-Violet School.

## Basil Scorned Go-Getters

YOU CAN imagine that Basil Con Gregory was looked upon as the most Sophisticated of all the Sophisticates. He never talked about anything except himself when in the neighborhood of the Caviar Club, and at other times, be it reported, he never talked about ordinary affairs, but merely emitted a few reams of remarks calculated to make merchants and salesmen of all sorts feel terribly ashamed of themselves.

Basil Con Gregory was full of scorn for go-getters. Go-getters, he said, are people who keep the Sabbath holy and believe in monogamy. Oh, you ought to hear how Gregory could scorch those fellows with his



really arty people, you know, were present, and the play got a thunderous hand all through.

You see, the play begins with a terrible peal of thunder, to sound the opening note, as it were, and there are three long acts and two intermissions, during all of which the thunder continues to get louder. The characters are Paul and Poll and some others, and they are all dressed in rather disreputable rags. They just creep across the stage, from right to left and vice versa, and then from left to right and vice versa, and once in a while the thunder lets up a little so that you can hear Paul and Poll cursing one another, and calling fearful names at the other characters, who seem to be tramps or something in that line.

That's the action in the play, and it is repeated several times, with a fine sense of the value of reiteration, as one of the reviewers said in the paper next morning. The thunder certainly was reiterated, as I can testify. My ears ached for a week after it. The play symbolizes the awful degradation of war, according to the re-

Coolidge enters from the left, carrying a total disability policy for twenty thousand dollars.

In the beautiful scene which follows, the insurance agent tears nearly all the serge off Margery, who calls him some names that you won't hear outside of theaters. This furnishes the motif of the play, which moves on inevitably to a sublime nose-pulling match and a riot by union motormen in the last act. The noise of the riveting guns grows louder and louder, reaching a dramatic climax at half past ten o'clock, when the audience rushes madly forth to a night club, profoundly shaken by the dramatic turpitude of Joe Wolters.

time the terrible fate of Marshall Lennox, who was completely undone by the discovery of his prosperity in the business world.

Lennox had done a great deal to win recognition among the Young Intellectuals. His poem, "Darkness, Darkness," symbolizing the horrors of religion, was six hundred lines long and from one to nine inches wide. It was to be read to the accompaniment of a small coffee mill and a watchman's rattle, and all the really artistic crowd pronounced it a masterpiece, heralding a New Day in poetry. There isn't a capital letter or a punctuation mark in the whole monumental work, and not even the critic of literature on the Morning Reflex, who rooms with Lennox, has ever been able to tell what the poem is about, except to say that it gives a wonderful insight into the brutalizing nature of religion.

Lennox was riding the crest of his poetic fame, and his "Darkness, Dark-



All the Really Intellectual Caviar Clubbers now regard Basil as almost a Go-Getter

viewers, several of whom are writing plays along the same lines themselves. They're all bound to be great successes, Waterman tells me.

Joe Wolters, who, by the way, is one of theatrical critics on one of the papers, has a play called "Noise Is Under the Radiator," which is to open next fall on Broadway. It is a play that symbolizes the horrid nature of American Business, and I have had the good fortune to see a rehearsal. Waterman has it straight from the Critics' Guild that the play is to be acclaimed by the entire public as an epoch-maker.

Wolters, I'm informed, once worked in an insurance office, just to get the goods on American business. And he has put it all into his wonderful creation, "Noise Is Under the Radiator." Atmosphere is provided by five riveting guns that start hammering rivets into steel scaffolding backstage, just as the curtain rises. Margery, the heroine, dressed in cotton serge, enters at the right, and a life insurance agent who voted for

Some of the spectators even forget that the Constitution of the United States has ever been amended, in their excitement over the artistry of this drama.

My friend Waterman, however, is thinking about giving up Sophistication altogether. It's got so that it's quite a strain on his nerves. He's a family man, you know, and he hates to think that he might be disgraced at the club and among his intellectual friends for some unseemly and perfectly natural exhibition of home-loving Babbittism.

Then, too, Waterman owns half interest in a very profitable soft drink manufacturing concern, and he's constantly afraid that this will be found out on him at the Caviar Club. They are queer that way. They won't forgive commercial prosperity in one of their set. Waterman has before his mind all the

ness" was being read in thousands of drawing rooms, when one of his business associates happened to meet him in front of the Club one evening, and, right before two of his literary friends, congratulated him upon the sudden rise of Safety Razors, Preferred! Things went from bad to worse, and soon the whole Intellectual World knew that Marshall Lennox was a heavy stockholder in a sensationally prosperous business.

So he made fifty million dollars and built an art museum for his home town. His name is not even mentioned among the Sophisticates any more.

Naturally, my friend Waterman doesn't feel like running the risk of winding up as Lennox did.



# The Battle of the Franc

By JAMES E. BOYLE

*Professor of Rural Economy, Cornell University*

**I**T WAS recently my privilege to interview the President of the Chamber of Commerce of France on the subject of French finances and the franc. He was urged to present his views to the business men of America. However, this he declined to do, on the ground that in France the various Chambers of Commerce are more closely linked up with the government than is the case in the United States, and hence it is not proper for any official in such a Chamber to give out opinions which might in any way criticize or embarrass the government.

In the following article the views I express are my own.



The fluctuating franc induces plenty of action in the Bourse in Paris, as this scene at one of the quote boards attests. Speculation is the rule of the day.

ward des Capucines, the rue 4 Septembre and the Avenue de l'Opéra, one sees among other American goods the following: Kodaks (in many, many stores), Singer sewing machines, Burroughs adding machines, Remington and Corona typewriters, Ivory soap, Walkover and Hanan shoes, American drugs, medicines, tooth pastes, etc., etc., Ford automobiles, American tractors, Butterick patterns and magazines, American books and magazines, Waterman pens and Eversharp pencils.

At the great central market, Les Halles, the "Stomach of Paris," American meat is arriving every day for the cold-storage room of Armour and Swift. Much of the stronger wheat imported to blend with France's weaker wheats comes from America. American woollens are being featured by the tailors and a large per cent of the cotton goods in France is made of American cotton.

It is perfectly obvious, therefore, that the French market absorbs American goods, not merely for the tourist trade in France, but for the great mass of the French people themselves, and this market absorbs American products of both the farm and the factory. With the franc worth 20 cents, the French are liberal buyers; with the franc worth three or four cents, the French must cut their buying to the most urgent necessities. Therefore, all Americans are vitally interested in the "Battle of the Franc," now

American reader must keep in mind the very fundamental and vital fact that America is a surplus-producing country, with an annual fifteen million ton food surplus; a surplus of shoes and automobiles and sewing machines, a surplus of typewriters and machinery, and so on. There is the big surplus also of cotton. Now France is, and should remain a good market for much of this surplus.

I have walked many miles over Paris streets and I have been surprised at the amount and variety of American goods in the shop windows. Whether one walks on the grand boulevards, or on the humbler streets, it is the same.

In a short walk on streets like the Boule-

The American business man is interested in France for both sentimental and business reasons. The sentimental and spiritual bond between France and America, great as it is, cannot be discussed within the limits of this article.

It is the business issues involved, however, which I must present at this time. The



raging in France. The par value of the franc is, roughly, five to the dollar. As these lines are being written the franc is hovering around thirty. France adopted an inflation policy during the war, and then the franc began to decline slowly, as the natural and inevitable consequence of inflation.

When paper money can no longer say: "I know that my redeemer liveth," it always sinks in value, and should do so. This is an economic law which man has repeatedly but vainly tried to abrogate during the past two thousand years. This law cannot be abrogated. As well go bite granite.

The first alarm felt and manifested by the French came in November, 1923, when the fall of the franc experienced a sudden acceleration. On the 16th of November, that year, the franc fell to 19. Until March, 1924, the fluctuations continued to be alarming. Then a Morgan gold loan of \$100,000,000 was arranged which had a healthy effect on the value of the franc. However, during 1925, the franc slowly worked down to 25. The decline was so gradual, however, that the French people, the French press, and the French Government all ignored it. When 30 was touched there were a few stirrings of uneasiness among the French leaders of opinion.

Then suddenly came the dramatic climax of Wednesday, May 19, 1926. On the Paris Bourse the official closing figure for the dollar was 35.15. On the Bourse, after the closing hour, the dollar sold for even more, and the British pound made a still greater advance. This episode caught the imagination of the French people.

From this moment on all the newspapers were full of rather hectic discussions of the franc, its troubles, their causes and their cures! For the next few days it was very thrilling to stand by the big pit, up on an upper floor of the Bourse, where trading goes on in foreign exchange, and watch the excited crowd sell francs and buy dollars and pounds.

### Cheers for Rising Franc

ONE DAY in particular reminded me of a college football game, with its raucous yelling and cheering. The franc had turned stronger, and was working back towards thirty. At each sale in the pit at a higher price, such a volcanic eruption of cheering! "Vive la France! Vive le franc!" shouted the mercurial French traders.

It will be instructive for the American reader to go back a little way at this point, and trace the course of French public opinion on the franc.

In France, as in the United States, public opinion is terribly blurred on all matters pertaining to banking and public finance. The present case of the franc is worth recording as another example of this unhappy truth. Taking a general survey of the Paris press for a period of a month, for instance, the following expressions of opinion are typical.

*La Liberté*, May 9: "The franc falls because the Cartel (Coalition Government) has issued too much paper money." This was one of the few papers to hit on the true cause of the trouble. Most papers did not see it in this way. Nearly all journals had leading articles on the "Crisis in the Exchange," "The Rise of the Dollar," "Danger of Speculation," etc.

*L'Ere Nouvelle* blames the Anglo-Saxons, seeking French gold, for the low state of the franc. *L'Ouvre* also blames the Anglo-Saxons, "across the ocean," and "over the Channel," for keeping down the franc.

After May 20, the French press began to discuss the "crisis of the franc." Hopes were held out that the negotiations in London would alleviate matters. But the French press soon began to report England as harsh ("âpre," raw) as the United States in the debt settlement. These negotiations were accordingly broken off to be resumed at some indefinite time in the future.

*Le Journal des Débats*, one of the oldest, ablest and most conservative papers in France, urged that it would be an unpardonable error to take any half-way measures with the franc, or to be swayed by mere political considerations.

Then the *Echo de Paris* declared that the franc is the victim of politics, and there is no cure for it but a political cure. The gold reserve of the Bank of France should be used, urged several journals. This gold should not be used, vehemently insisted an equal number of journals.

*Le Temps* consistently urged week after week that a government worthy of confidence was a preliminary condition to any settlement of the financial problem.

### Inflation Makes High Prices

ENOUGH opinion has been cited to show the confusion of ideas existing on this financial question which is half technical, half political. While this discussion was going on in the press there were certain unmistakable "signs of the times" indicating that the insidious and inevitable effects of inflation were being produced.

As a man lost in the forest cannot see the woods for the trees, so the people suffering from inflation cannot see the cause of their troubles. The economic law here is a simple one: Inflation brings rising prices; when prices rise they go up in this order—first, wholesale prices; second, retail prices; third, wages; fourth, salaries. But to the man in the street, inflation is envisaged merely as "high cost of living" getting higher and higher. To turn now to the French experience for some examples.

The price of wheat went up. The government price-fixing body for flour and bread put up the price of bread two sous. "A scandal," cried the *Paris Soir*, "to move bread upwards towards 2 fr.10 per kilo (i.e.: five cents a pound in United States money). The government ordered an admixture of 5 per cent rye with the wheat flour. Then rye went up 33 cents a bushel!

So, food went up in price.

Paper went up in price. So the *Journal de la Bourse* and the *Paris-Midi* raised their price 25 per cent.

Cloth went up, and clothing went up in price.

Butter and eggs started to climb but the Government put a prohibitive export on them, to keep the cost of living down in Paris. So Paris gets plenty of good fresh eggs at 20 cents a dozen retail. This is a hint, by the way, at what government price fixing in the United States would do to the farmer rather than for the farmer.

Did wages go up? Not very fast. Signs of "labor trouble" began to appear. A big strike was put on at the automobile works of the Citroën and the Renault. The Renault strike soon petered out. The barbers of Paris staged a strike for higher wages, even setting up a few rival shops offering free shaves and hair cuts. Paris laughed, and this strike fizzled.

The coal miners now threaten to strike, announcing that they "demand without enthusiasm, an increase in pay." The petty employees of the state railroads, telegraphs

and telephones threaten to strike, saying it is hard to support a family on 25 francs (83 cents) a day.

Meantime, the French take offence at English and American tourists who buy the cheap francs, and with these francs buy French food, French clothing, yes and even French land and buildings. The most conservative paper in Paris gave large space and large headlines in its issue of May 23 to a circular of an American business house having a branch office in Paris, and announcing in this circular that American investors now have the opportunity of making 100 per cent on their money by investing in French real estate.

The franc must be stabilized! But how? That is the question. I will present very briefly the various ways and means, proposed and adopted thus far by the French authorities for saving the franc.

When the French Parliament "balanced the budget" (on paper) April 29, the two Houses adjourned to May 27. Between these two days occurred the dramatic fluctuation in the franc.

It is vain to prophesy what may happen from one day to the next. But what has been done can be set forth in a few words.

When the dramatic fall of the franc occurred May 17, 18 and 19, M. Paul Peret, Minister of Finance, immediately began negotiations with the Prime Minister, and later with the banks, for the "defence of the franc." The first order went forth to the banks to prevent or curtail as much as possible all speculation in francs, and to require the buyers of francs to state for what purpose they were buying this currency and to limit their purchases. In other words, the first attack was on speculation. And the franc showed strength for a few days.

### Could Not Control New York

IT WAS realized, of course, that the French Government could not reach out and control speculators operating in New York, London and other markets. It was also realized that the course of the franc in Paris would follow the course of the franc in the great money markets of the world.

Orders were issued to French traders to repatriate their capital. That is, balances due them abroad were to be brought home promptly.

Lawsuits were commenced here and there against individuals who were injuring the credit of the state. The Court at Montpellier sentenced to fines and imprisonment men who had advised several persons to sell their government bonds, saying that the state was heading toward bankruptcy.

On May 20 the Minister of Finance announced his decision to create the Office de Compensation des Changes, in reality one central office or market for future trading in foreign exchange. Future trading in foreign exchange it was believed would have the stabilizing effect on prices which properly conducted future trading always has. This new office would be financed by the banking institutions interested. It would have the usual clearing-house, so that regardless of the volume of buying orders and selling orders only balances due would have to be settled in cash. This office, the press announces, will be created without delay.

The disease is inflation. The remedy is deflation. That is, resumption of specie payment. "The way to resume is to resume." France must pass a law fixing a date, say some eight or ten days ahead, when specie payment will be resumed. The battle of the franc will not be won till this is done.





UNDERWOOD AND UNDERWOOD

This peasant woman of rural France is typical of the real stability of that country. Politicians abound in France, as elsewhere, playing their part in the fluctuation of the franc. In spite of them, the world expects France to "come back" after the costly victory of 1918 as well as she did from the defeat of 1870. Paris is no more the whole of France than New York is the whole of the United States.



# Winning Ways of the Charity Fakers

By F. S. TISDALE

Illustrations by F. Strothmann

**H**ENRY STONE enjoys the reputation of being a pretty competent citizen. I say "enjoys" advisedly. He likes to think that a competitor would have to rise with the chickens and remain awake with the owls to get ahead of him in a business transaction. For all that his heart is easily touched, and that emotional organ sometimes runs away with his head.

The other morning Henry Stone was visited by a large, unctious person who gave his name as the Rev. Jonathan Jones. Mr. Jones fixed Henry with a watery eye and began in a deep bass that trembled effectively:

"Mr. Stone, I represent the Blimps Home for Unfortunate Kiddies—"

"What home?" asked Henry Stone.

"For Unfortunate Kiddies," continued the vibrant bass; "I doubt if you know the conditions that confront the less fortunate of our little ones."

## Painting a Painful Picture

**W**HEREUPON he proceeded to paint a picture of suffering and poverty which brought an answering moisture to the eyes of Henry Stone. Before this heart phase had passed the visitor extracted a \$20 gold certificate from Henry and withdrew, walking piously upon the balls of his feet. After he had gone Henry had a sudden rush of intelligence to the head and called the office of the local Charities Council. He told about the Rev. Mr. Jones and asked if the cause was a worthy one.

"What did you say he was collecting for?" asked the investigator.

"Well," said Henry Stone, sheepishly, "I didn't quite get the name. But it was some home for unfortunate kiddies."

The investigator had decided opinions about giving without getting the name of the cause, and she expressed herself rather well. Her promised investigation came by letter several days later. There was no trace of a Rev. Jonathan Jones in any of the city's legitimate charities. It was painfully evident to Henry Stone that he had been stung. And I tremble to think what would happen to any of Henry's employees if they should conduct a business deal with so little foresight as he had used with the Rev. Jonathan Jones.

## Business Men Are Generous

**O**UR American commercial world is full of Henry Stones. It is difficult for them to use their hearts and heads at the same time and, since they are the most generous race upon the face of the earth, it is but natural that promoters of fake and shady collections exploit them without mercy. And here is the worst feature of it all—

After being buncoed, Henry Stone is likely to look with skepticism on all benevolent collections. Thus the fakery and frauds not only divert money to their private and illegitimate ends but they make it more difficult to collect funds which really alleviate man's miseries. Students of philanthropy must continually drive home this idea: Give—but give intelligently. Be as

generous as you like, but investigate before you pay a nickel and be sure that your money reaches the unfortunate.

I won't name any names, but certain nations are just now protesting loudly that the United States has no soul and that it thinks only of making money. It would be difficult for the overseas pessimists to reconcile their prejudice with the enormous sums given away in this country for the benefit of humanity.

William Hodson, director of the New York Welfare Council, estimates that in his city alone more than \$200,000,000 is spent annually on religious, educational and social welfare work.



"Mr. Stone, I represent the Blimps Home for Unfortunate Kiddies. I doubt if you know the conditions that confront the less fortunate of our little ones." Stone didn't just get the name of the home, but he gave his twenty, anyhow.

There are no figures for the whole country's donations, but on the basis of the New York figures—balancing the millions of the city's poor against its unusual wealth—you have a per capita donation for the country of over \$33. For a population of 110,000,000 that would mean an annual expenditure of some three and a half billions.

That is enough money to give every human being on the face of the earth—every Chinaman, Hindu, Eskimo, Hottentot and all the rest—\$2 a year. It is enough to run our entire Federal Government.

## Charity Funds Lure Crooks

**T**HAT the unscrupulous and lazy should be attracted by this vast and regular outpouring of treasure is only natural. Bird S. Coler, Commissioner of Public Welfare of New York City, says that in the metropolis alone \$10,000,000 disappears every year in misplaced or stolen charity funds.

The amount lost in the entire country he estimates at \$100,000,000 annually.

During the World War the fakery discovered how easy it was to reach the American pocketbook through the heart. Since then a thousand and one schemes have been cooked up to swindle business firms and citizens in the name of charity. The money intended for the unfortunate swells the fortunes of the faker and makes difficult the collection campaigns of real charities.

Since the big-business period of shady collections began with the war, it is natural that the uniform of the American fighting forces plays an important part in their schemes.

A New York social worker was in a subway train

recently when a young man dressed in dough-boy khaki came through "selling" some cheaply printed booklets for "whatever you want to give." It was during an epidemic of such begging, and the social worker, spying a policeman on the same car, demanded that the vendor be arrested.

"Arrest him!" snapped the cop, "I ought to pinch you instead. You're insulting the uniform of the United States. Can't you see that it's a poor soldier boy who probably is up against it?"

In spite of the policeman's indignation the social worker held his ground, and finally the man with the booklets was arrested. New York has a law requiring a license for public solicitation and giving the authorities power to examine the accounts of such organizations. It was found that the supposed soldier had no right to wear



the uniform; that he was getting 50 per cent of what he took in; that the promoter who furnished the booklets got the rest.

Over the country there are gangs of fakers begging and getting money for mythical institutions to care for unfortunate veterans. It may be for the tubercular, the crippled, the gassed, or the shell-shocked. Business men often pour out their money without investigating the need of the proposed institution or the destination of their donations. A little thought will tell anyone that the United States Government and the recognized veteran organizations are doing everything for the sick, wounded and needy that can be done.

### Some Standard Charity Fakes

**C**ERTAIN well-known frauds or "rackets" are worked in New York, but there are infinite variations. And you may be sure that the same schemes are worked on a lesser scale all over the country. Weepy solicitors for shrewd manipulators beg subscriptions for fictitious missions, Bible schools, and orphan homes. Surely the most pitiful thing in the world is a crippled or hungry child. No one knows this better than the fake solicitors. Their letters and their sales talks are saturated with crocodile tears.

One illicit organization peddled religious wall mottoes in New York, selling them for 10 cents, 25 cents or \$1 according to the appearance of the sucker. The commissions were 45 per cent. They also solicited for the distribution of Bibles. Investigation

discover. A large and imposing colored gentleman sells a book of useless information to Jewish storekeepers for work among the "African Jews." Pathetic-looking women peddle soap and toilet articles to housewives, telling their victims that a percentage of the company's profit goes to "build churches and for Bible work." This same racket is worked on business houses through the sale of typewriter ribbons and other supplies.

Mushroom beggar organizations spring from the earth to capitalize any movement or calamity that is prominently before the public. If there is a flood in China or a famine in India, fraudulent collectors get busy and little of their garnerings ever reaches the sufferers. A host of organizations are now exploiting the prohibition agitation. Enemies of Demon Rum are advised to inquire into the principles of these enthusiastic crusaders before giving them any money.

### Pseudo-Political Parasite

**A**SPECIAL breed of parasite preys upon business men. There is in New York one M. J. Dowling, alias Peter Justus Fogarty, alias the Union Democratic Club. There is no such organization as the Union Democratic Club, but the business man doesn't know it when his phone rings in the winter and Mr. Fogarty asks a contribution "to buy fuel for the poor." There is a very strong implication that since he represents said Union Democratic Club, a political organization, he can make it warm for the business man who declines to come clean. In somewhat the same class is the deaf mute who goes to offices and asks funds so that he can start himself in business.



showed that after months of collecting they had distributed just one book. Irish business men were appealed to for \$3 subscriptions for a Trappist abbey; the abbey got 20 cents and the promoters \$2.80.

Often the swindlers have such faith in the generosity and carelessness of Americans that they do not even specify any particular cause. Of such is the doughty but spurious Captain X who has visited stores for years collecting for "charity"—Captain X being the charity so far as anyone can

(A rare case, incidentally, because there are few mutes who exploit their misfortune.)

The greatest aid to the mail-order beggar is the list of prominent names. It is amazing how these charlatans can induce big business men and social leaders to lend their names without first proving that their cause is worthy. Often names have been so used

without bothering to consult the owners. Then there is the boosting letter.

A shady operator will organize, say, the Lachrimose Mission for Unhappy Tots. He prepares a respectable looking letter head and writes to a prominent citizen. In effect he asks:

"Are you in favor of alleviating the suffering of sick and hungry children?"

### Testimonials Are Found

**T**HE unsuspecting prominent citizen seizes his pen and writes back, "I am heartily in favor of helping unfortunate little ones. You are working in a noble cause."

Presto! The faker has an invaluable testimonial for his bunco game. This letter and others of its kind are broadcast with the appeal for funds. They are a cunning generation, these fakers. They rake in their fortunes regularly—and any sales manager who is in the midst of a campaign via the postage stamp will testify that no mean genius is required to drag in checks by that route in these cynical days.

Also these Wallingfords of charity keep a knowing eye on the Statutes. It is difficult to convict them of out-and-out fraud because they will give enough of their collections to some charity to create a semblance of sincerity. You can judge the depth of their benevolence by the fact that their overhead charges range from 40 per cent to 90 per cent of their entire collections.

Real charity workers will tell you that, in spite of our national carelessness and in spite of the masterful campaigns of the fakers, the fight against them is gaining. Consolidation of collecting agencies and warning publicity is having its effect. But there is a more legitimate form of misdirected philanthropy that is flourishing as luxuriantly as ever. This is the institution that is endowed or built without an investigation into whether there is a need for it. A striking example of such a bequest came to light in an eastern city.

There was a group of dear old ladies who ran a day nursery. The nursery was in a location where it was not needed and its operation was most inefficient—but the dear old ladies went along, happy in their ignorance. Finally one of their number died, leaving \$300,000 for a mothers' convalescent home.

### A Fund That Was Wasted

**W**ITHOUT pausing to make any investigation, the happy old ladies spent \$160,000 on a building and grounds. They had found out nothing beforehand; here are some of the things they found out afterwards:

They had built an institution that was not needed in this particular city. They had neglected to put in any hospital facilities for sick mothers—the very ones that most needed a home of this sort. They had spent so much on the building and grounds that the remaining endowment would not keep the institution going. And last of all—that they had gone ahead and established an institution which they had no right under their charter to operate!

The dear old ladies have been somewhat bewildered ever since. They have straightened out their tangles as best they could but one large problem remains. They can't find convalescents to put in their home. Inmates are actually being advertised for. Charitable institutions all over the city are being asked to please send out suitable mothers.

I quote Edgar Rickard to give you a



business man's view on intelligent benevolence. Mr. Rickard has been active in the administration of the extensive European Relief Operations and child health work in America under the direction of Herbert Hoover. Mr. Rickard says:

"I was walking down a London street with Mr. Hoover one day before the war when a beggar stopped us. Mr. Hoover did not give the man any money, but he asked him his name and address. He explained to me that he never gave these men money on the street, but that the Salvation Army had assigned him a man who investigated each beggar and helped those that were really in need. Practically all were professional mendicants who made fat and easy livings.

#### Results of Investigation

"RECENTLY I wanted to make a donation to a well-established institution. I asked an expert to investigate as a matter of form. To everyone's amazement conditions were discovered that were shocking. Immediate steps were taken to reorganize the charity as a result. I cite this example to emphasize the fact that you can't investigate too carefully.

"Our business officials have fallen into a bad habit. At the meetings of their directors they annually pass blind appropriations for charity. There is, say, a proposed donation of \$5,000 for such-and-such a charity. The secretary says the same amount was given last year and that the company's keenest competitor is giving about that much. That makes it all right. The directors pass the expenditure without question.

"I say that no official has a right to spend the money of his stockholders in such a careless fashion. Every man and every company should investigate a charity in which they intend investing just as they would a company in which they intended to invest and from which they expected dividends. There is plenty of suffering in the world that really needs relief. The American business man can be generous, but he doesn't have to be foolish.

#### Intentions Often in Error

"THERE is another unfortunate tendency here in New York. Frank A. Munsey left a fortune estimated at \$40,000,000 to the Metropolitan Museum of Art. This museum is purely a local institution. It is already the largest of its kind in the country. How much better it would have been if that money had been divided among art museums in Portland, Me., Portland, Ore., or New Orleans and other cities where it is much more needed than in New York. Or what if he had left the fund to a board of trustees to be placed where it would do most good?

"Much has been said and written against

tying up immense fortunes in bequests which in time become unnecessary and even ridiculous. The wisest benefactions of our time are the big foundations such as those established by Carnegie, Rockefeller and Harkness. Their donations are made only after intelligent and minute investigation and they have already been of immense benefit to humanity."

Now hear what Edith Shatto King has to say on the subject. She is in charge of the Bureau of Advice and Information of the New York Charity Organization Society and her business is the sort of investigations we have been talking about:

which the community is really in need of. A man might, without investigating, give to day nurseries when his city was much more in need of convalescent homes.

#### Orphans Have Most Appeal

"ORPHANS have always had the strongest appeal for the charitable. So much money has been given for this cause in New York that there are not now enough full orphans—that is, with both parents dead—to fill the institutions. Many things have contributed to this shortage of needy orphans. There is less poverty.

Science is extending the life of parents. Life insurance is becoming universal. The State of New York, through its workmen's compensation law, aids the children and wives of men killed and injured.

"From my experience as an investigator I would advise every business man to bear in mind the following 'don'ts' when he gives to charity:

"Don't give to street beggars. They are practically all professional paupers and many are well-to-do.

Don't give to personal solicitors unless they are known to you or have credentials from a recognized organization.

Don't allow your name to be used by charity promoters without investigating.

Don't answer a begging letter because it bears a list of imposing names.

Don't buy articles from solicitors who are selling them "for charity." Salesmanship is one thing and charity quite another.

Don't make the charity bequests in your will too inflexible. Leave your trustees some freedom.

Time may eliminate the need for your pet charity; there is in Philadelphia a fund left for yellow fever sufferers, but there isn't any more yellow fever in Philadelphia.

Don't advertise in year books, programs, etc., and call it charity.

If you want to give, send your check to the organization direct and not to the promoter of some booklet.

#### Must Use Sense in Giving

"THE whole point is that the business man should use as much common sense in giving away his money as he uses in making it.

He ought to give with his head as well as his heart. Every appeal should be investigated.

Write to your chamber of commerce or council of social agencies. If they haven't an investigator they can refer you to one.

Neglect this and you will always run the risk of having your gifts fatten the bank accounts of fakers instead of helping real sufferers."



"Arrest him!" snapped the cop. "I ought to pinch you instead. You're insulting the uniform of the United States. The poor soldier boy is probably up against it bad."

"There are in New York City about 1,500 organizations engaged in social, educational and charity work. This does not include any known fakes. These agencies cover the field so completely that it is safe to say there is a trained organization to care for every needy case and do it better than an individual could.

"It is most important for donors to balance their gifts—to contribute to the things



# Government vs. Gupp

By T. S. Repplier

OLD JONATHAN GUPP, as you probably know,  
Made his very first Wimple a decade ago.  
He struggled, he toiled, he borrowed and bled  
And worried the hairs from the top of his head  
'Til he counted his profits and found with a shout  
More money was in than had to go out!



No sooner had Wimples enraptured the land  
Than murmurs were audible on every hand,  
And two-penny newspapers all took a fling  
At "unheard-of profits" of "Big Wimple King."  
'Til Congress at length took the Wimple Case up  
And sent a Committee to Jonathan Gupp.



"Ah, Ha!" said the Congressmen. "Wimples  
should not  
Be tied with a four-in-hand sailorman's knot.  
We estimate needless mazuma is spent  
Amounting to point 001 of a cent."  
So they all recommended inspection be tried  
To see that each Wimple was properly tied.



Cartoons by Harry Campbell



Soon "Gupp's Toasted Wimples" found fame  
North and South  
And everyone said they would melt in your mouth.  
Each Wimple was certified germless and clean  
And wrapped by a pasteurized wrapping machine.  
They ate them in Boston, and over the sea  
Pleased Britishers munched them with five  
o'clock tea.



THE CONGRESSMEN saw how each Wimple was  
made,  
They peeked into ovens; watched eggs being laid,  
They went through the dairies, where methods  
invented  
By Gupp kept each bovine amused and contented.  
They found all the factory both legal and clean  
'Til at last they encountered the wrapping  
machine.



HENCE, the Government sent some inspectors  
to Gupp  
With instructions to see all the Wimples wrapped  
up.  
There's lots of inspectors! If Wimples are dear,  
Well, inspectors like these get four thousand a year!

So PRICES of Wimples are higher now. See  
Why Britons eat tarts with their five o'clock tea?



# NATION'S BUSINESS

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MERLE THORPE, Editor

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## Attacking Our Farm Problem

**T**HERE is going on a nation-wide hunt for an answer, sound and abiding, to the question, "What does our agriculture need for its attainment of a permanently healthful condition?"

In searches for anything tangible or intangible, success often is delayed, sometimes defeated by haphazard effort. Each volunteer sets about the task in his own way. The result is confusion without end. The hunters, harassed by the futility of it all, first question then impugn the plans and motives of one another, eventually to lose faith even in themselves. The search begins to fail.

Then there is but one thing to do: Call in the scattered searchers, organize the hunt, map out a plan and bind the effort with the tie of singleness of purpose.

American business, as represented in the National Chamber of Commerce, means business in the corn belt, the wheat belt, the cotton belt, the cattle country, in the West as well as in the East, the North no less than the South. It needs the answer as much as does the farmer. This need springs from purely a material interest rooted in the knowledge that without a stable and healthy agriculture there can be no promise of economic health in other fields of endeavor.

And because business does need the answer, it has not stood with folded hands as an interested observer before the spectacle of a people groping for it among the shadows. Its tremendous stake in the issue has made it a party to the effort.

The National Chamber long ago began to search for facts which too often have been obscured in the complexities of the agricultural situation as it exists—facts to reveal causes of agricultural depressions, be these the result of underproduction or the piling up of a surplus, facts hidden in local problems and regional. The Chamber has needed facts for guideposts.

It calls for courage and no little faith in the final outcome to pursue this course when impatient and harassed co-workers in the quest are calling for an immediate and final answer. There is no single defect in the scheme of our national agriculture which in response to a magic touch can be realigned to right the entire structure. If there were, then the so-called agricultural problem would have been solved the moment that defect had raised its head.

How can agriculture and other business together solve these problems? First there must be ample light in which to work. That light radiates from facts. And there must be teamwork. The solution will come from the labors of dispassionate and orderly counsel, wherein voices shouting for the alignment of one interest against another—as though that could be, and either one survive—find no receptive ear. It must be a gathering of common interests, inspired by mutual understanding.

Agricultural relief should be based upon a solid foundation of

fact. The cures for its ills should be of a permanent character rather than panaceas which may offer temporary prosperity but lead later to the permanent crippling of a basic and necessary industry.

The agricultural situation is everybody's business.

JOHN W. O'LEARY,  
*President, United States Chamber of Commerce.*

## "Advice in Advance"

**A**CCTIONS speak louder than words but let's use the right words. That is the essence of the Department of Justice announcement that trade associations may submit plans of existing or contemplated activities for an examination as to their legality.

Submittal does not by any means give a trade association a clean bill of health or immunity from prosecution if it violates the law, but it does give an opportunity for the obviously illegal to be pointed out and this the Department does.

Doubts largely due to the four apparently conflicting decisions of the Supreme Court have been cleared up by the stand that the Government has taken. Facts and statistics may be collected, published, and discussed as long as there is no price-fixing agreement or action taken as a result. Competition is a very unequal affair when one man has all the facts and another none.

The menace of dropping a dictionary from the top of the Woolworth Tower to kill a fly is obvious. It is more dangerous to outlaw a cooperative service that gives a better social value to the saying that "competition is the life of trade."

## One Law Too Many

**C**ONVERTS to our Fewer-Laws Clubs continue to make themselves known. Now, according to the report of a daily paper, a whole town will soon be ready to join.

The town started to install street lights, but when the fixtures were erected and before the globes had been put in, a flock of birds built nests in the empty sockets. The state law forbids the disturbance of a bird's nest.

And now the town is waiting for the birds to tear down their nests so it can legally light its streets.

## "Life" Not a European Monopoly

**K**AREL CAPEK, the Czech playwright whose "R. U. R.," with its grim picture of mechanical workmen and machine civilization, was a stage success two or three years ago, is worried about the United States and worried lest the United States Americanize Europe.

"I am horribly frightened that the United States will teach Europe to work," he says; and by work he means the specialization of labor with resulting mass production and lowered prices.

Writing in the *New York Times*, Mr. Capek says: "American efficiency is concerned with the increase of output and not with the increase of life."

But doesn't the increase of output mean the increase of time, and the increase of time, the increase of life?

Mr. Capek describes a bricklayer as one who lays brick "that he may chat about politics or about yesterday, drink beer and celebrate blue Monday, and on the whole, live a full bricklayer's life. . . . I think he would scold severely the man who should try to prove to him that the highest purpose of a bricklayer is speed."

But doesn't the American, with his shorter work day, his higher wage, his larger material comfort, lead as full a life? Can he not chat about politics and about a hundred other things in the time that is his? Perhaps he cannot drink beer, but he can take his family out in an automobile. He can do more than "chat about yesterday"; he can chat about tomor-



row, for he has a tomorrow to look forward to, a tomorrow with possibilities of life that are rarely open to his European brother.

No, Mr. Capek, increased production doesn't mean the sacrifice of a full life. Speed isn't an end; it's a means to an end.

### "The New Competition"

SINCE first we read the manuscript by O. H. Cheney, with its arresting title, "The New Competition," we find ourselves running across fresh instances. Dr. Wendt, the brilliant scientist whose article leads this number, believes that transportation will be revolutionized by the invention of a light storage battery.

"Storage batteries weigh a hundred times too much," he says.

Visions of noiseless, powerful, cheap automobiles gliding along the roads delighted us. We were about to urge our friends to sell their gasoline-driven cars and await this new revelation when we picked up our newspapers and read that a scientist working on distillation of coal was on the track of a new motor fuel much cheaper and much more available than "gas." So we put off urging our friends to look out for the rebirth of the electric car and wait for coal fuel.

Then the next day or the next week our morning paper brought us further news: A French scientist was splitting up water into its elements, with a resulting something which should make automobiles go as well as a petroleum distillate.

Again we hesitated. Water could be had in plenty, and if we knew how to use it for engine fuel, why ask more?

But there is "the new competition." Who knows what shadow of this struggle between materials lies on the horizon of the automotive industry?

### Back to First Principles

VERNON W. VAN FLEET, a member of the Federal Trade Commission, gave a sharp rebuke in a recent address at an advertising convention to those who have sought to direct the Commission from the purposes which Woodrow Wilson had in mind for it.

The Wilson idea, Mr. Van Fleet said, was to establish a corrective and a primitive agency. Mr. Wilson's own words in address in September, 1916, were:

"That Commission . . . has transformed the Government of the United States from being an antagonist of business into being a friend of business . . . I ask you if you haven't found the Federal Trade Commission to be put there to show you the way in which the Government can help you and not the way in which the Government can hinder you."

An admirable purpose from which the Commission seemed for a time to swerve but toward which it has again turned.

The Federal Trade Commission can do an admirable work in calling industry to the council table by urging and aiding in the regulation of business by business.

### Putting Business into Government

IN THE State House at Trenton, New Jersey, they will tell you that the functions of the state government have expanded at a staggering rate. Old-timers there declare that officials have not sought this "paternalism," but that organized minorities have come, demanding that the state do this and that, until at least twenty-five new divisions of government have been added since the century started. The total "demand" now is for about twenty-five million dollars worth of "government" annually.

But New Jersey has found it hard to get the men for the jobs. So Jersey frankly steps out and drafts experts. Pro-

fessors and theorists? Not on your life. "Go-getters" of the highest known intensity.

When the state wants a big job done it appoints a commission. The traditional commission is composed of profoundly important personages who draw flatteringly large salaries for several years and finally turn in nine volumes of reports which nobody reads; then somebody else ignores the findings and does the work—or the plan dies. But New Jersey hunts the busiest men it can find, pays them nothing, and they finish the job with business method, and quickly.

They are less than dollar-a-year men in fact; but they will work for their state in peace time with the same keen interest displayed in working for the nation in a time of emergency.

"Some of these birds sure are hell on wheels," said an old-timer of thirty years' State House service. "If they are half as intent on the interest of their corporations as they are on the best interests of the state—once they take one of these commission jobs—it's no wonder they have made money."

Of course the surprising thing is that there is anything surprising in it. No man gets to a big job without idealism. No man builds a big business without a keen sense of service.

### Other Words, Other Countries

BUSINESS doesn't always talk the same language here and in England. The editorial eye lighted on an advertisement of a motor truck in the *London Chamber of Commerce Journal*. It wasn't a 1-ton truck. It was a 25 "hundredweight" truck. Its body was described as a "complete lorry."

It was sold "ex Hendon" not "F. O. B. Detroit."

It could be had also as a "charabanc," or as a "compartmented box van" for your commercial traveler.

But in spite of the new words that were hung about it, it was our old friend, the Chevrolet.

### A Challenge to Industry

CONGRESS failed to finish its task of radio regulation. Courts have rendered confusing decisions as to the power of the Department of Commerce to allot wave lengths. The Attorney-General has said that while an applicant for a license must designate a wave length, he is at liberty to use others.

All of which opens the way to limitless confusion in broadcasting unless—

Business regulates itself!

The radio industry—that is, the broadcasting side of it—has a fine chance

To write itself down as shortsighted, as indifferent to the rights of competitors and the public, or

To set an example of self-control and self-regulation by proper respect for the rights of others even though those rights be not enforceable at law.

As a statement from the Department of Commerce puts it:

The orderly conduct of radio communication and the interest of the listener in broadcasting has been possible largely because of voluntary self-regulation by the industry itself, frequently necessitating some individual sacrifice for general good. The Department trusts that this spirit will continue in the future as in the past.

Congress will at its next session complete the almost finished job of providing a new radio law. But if we have a summer and fall of radio confusion due to business greediness and business selfishness, how will the Congress look at requests from the radio industry?

There is a maxim of equity that "he who comes into equity must come with clean hands."

Perhaps the Congress might well insist that the industry which asks to be consulted about legislation must "come with clean hands."

Let us not forget that if business cannot or will not govern itself, then Government can and will.



# Everyman and His Bank

IV—In Which the Young Executive Learns Why Banks Require Authorization of Corporation Officers' Signatures

By DALE GRAHAM

Illustrations by Emmett Watson

**L**UCIFER SMITH was vexed. Perhaps that is putting it mildly; Lucifer Smith, president of the Climax Printing Co., Inc., was very, very angry.

Dan Houghton, secretary and treasurer of the Climax, wondered how a telephone receiver could be strong enough to resist the violence with which it was slammed upon the hook. But stand it the instrument did, and supported with admirable composure a glare from the irate president that would have done credit to the original Lucifer.

"The nerve of that little runt!" Smith exploded at last. "The nerve of him! To call me up and as much as tell me I'm a crook. To my face."

"To your ear you mean," corrected Houghton, who had listened to the telephone conversation with considerable amusement.

## An Indictment

"NO wise cracks," said the president severely. "You're in the indictment, too."

"What's an indictment more or less these days?" shrugged Houghton. "Who was it, and what's the row?"

"That little squirt of an assistant cashier at the First National Bank. Name's Bruce."

"Called us crooks, did he?"

Smith subsided somewhat. "Well, the same thing. Said the bank wouldn't pay any more checks on our account until we bring in some resolution of the Board of Directors, or by-laws or some such rot, to prove we have a right to sign for the corporation."

"The board of directors?" Houghton grinned. "Did you tell him our board had sunk into a deep sleep and that it hated to be disturbed?"

## Hinted I Was a Law-breaker

"NO; but you heard me give him the call of his young life. The idea! Me buying the plant and becoming head of the company, and he questions my right to sign checks, on the bank account. He rattled off something about not wanting me to take offense. Said he thought we would want to have everything proper and legal. That burned me up. Hinting I was a law-breaker. I never did anything illegal in my life—except maybe passing out an occasional drink of Scotch when it was needed to land a contract. I'll fix that bird and fix him good."

Excitedly, the president seized his hat and made for the door.

"I am going down and talk to Mr. Mar-

tin," he called back. "He ought to know it if one of his men insults a big depositor."

Vernon Martin was the senior vice-president of the First National Bank, the city's leading financial institution.

Banker Martin was in his office when Lucifer stormed in.

"Good morning, Mr. Smith," he exclaimed, smiling. "You look like you've got blood in your eye. What's the trouble now?"

"Mr. Martin, I've been insulted—grossly

"And refused to honor any more checks?"

"Well, he said he wouldn't like to. Now, Mr. Martin, I resent having Bruce call up and tell me practically, in so many words, that he doesn't think I have any authority to sign checks, or that, as president of the Climax Printing Company, I can't authorize anybody to sign. He said he thought we would want to handle things legally. Isn't that inferring, if we don't, we are crooks? Can you blame me for getting sore?"

The banker smiled. "Well, Bruce is right, Mr. Smith—I don't mean about your being crooks—but about wanting a certified copy of the by-laws or a resolution by the Board of Directors authorizing the signatures we have on file."

## Felt His Bristles Rising

**L**UCIFER SMITH felt his bristles rising. "Do you mean to say, Mr. Martin, that as president of the Climax Printing Company I haven't any right to do any or all of the things necessary to carry on the business, including the signing of checks and notes?"

"As president of the company, you ought to have, but you haven't unless the power is specifically given you in the by-laws or by the Board of Directors. You see the president hasn't any more power than—but come in here, and I'll show you."

"Corpus Juris—Corporations—Fourteen—I be-

lieve it is in Fourteen 'A.' He took the volume from the shelf and scanned the index for the section he had

cited to so many other irate and skeptical corporation officers.

"Here it is," he said after turning through a number of pages. "Corpus Juris 14a, Section 1858, page 93. Authority of President."

Slowly and impressively he read the section to the still belligerent Lucifer:

"Aside from his position as presiding officer of the board of directors and of the stockholders when convened in general meeting, the president of a corporation has by virtue of his office no greater power than that of any director. Whatever authority he has must be expressly conferred on him by statute, charter or by-law, of the board of directors, or be implied from express powers granted by usage or custom or the nature of the company's business."

Lucifer smiled triumphantly. "Well, there you are in the last line—'by usage or custom or the nature of the company's business.'"



Lucifer Smith grabbed his hat and made for the door

insulted by one of your officers. Mr. Bruce just called me up and said he couldn't keep on honoring our corporation checks if I didn't bring in a lot of by-laws or resolutions, or such tomfoolery to prove we aren't stealing."

"Did he say he thought you were stealing?"

"No; but what else does it amount to? Several times since I opened the company account he has written that this bank would like to have official authorization of my signature and Dan Houghton's by the Board of Directors. I was busy and didn't pay any attention to them. But this morning he called me up."



"No; I think that doesn't apply in the case of printing corporations, but rather when the corporation is organized for the specific purpose of issuing notes or drafts—like a finance company. But there is something under 'Banks and Banking' that may make it clearer to you."

The banker took down another volume and consulted the index. "Yes, Section 395, page 676. Volume 7, Corpus Juris. It says:

"While the president of a corporation is not authorized to draw corporation checks, this authority, however, may be granted by charter or statute."

#### Illustration Tells Story

AND DOWN below in the footnotes is an illustration that tells the story.

"The bank must determine at its peril whether the officer signing checks is authorized to do so. *Havana Central R. Co. v. Central Trust Co.*, 204 Fed., 546-550, where the court said: 'When a corporation opens a deposit account with a bank, the latter must be satisfied that the officer signing checks is authorized to do so and if it pay without question it takes the risk of being held still liable for the amount irregularly paid away. . . .'"

Martin lowered the book and looked over his spectacles. "Can you blame us bankers for being a little particular on the point?" he asked.

Still not fully convinced, Lucifer Smith

ignored the question and asked one of his own. "What about the company's treasurer? His job is taking in and handing out the money. He can sign checks, can't he, without all this hocus-pocus of resolutions and by-laws? What does your Corpus Judas say about that?"

The banker smiled. "Juris, Mr. Smith. Corpus Juris—not Judas."

"Well, Juris then."

"That point is covered better in another book, Clark and Marshall, on corporations." After a short search, the volume was produced.

"Section 703 says:

"As a general rule, the treasurer of a corporation has no implied authority, merely by virtue of his office, to bind the corporation by contracts or other acts made or done in its name, or to dispose of its assets except as he may be authorized by the directors or other managing officers. Ordinarily, therefore, he has no implied authority to borrow money in the name of the corporation, or to execute notes, draw or accept bills, drafts, or orders (checks), or to endorse notes or bills, or to accept an order by a creditor. . . ."

Mr. Martin ran his finger along the citations at the bottom of the page. "The one jurisdiction not accepting that doctrine," he observed, "is Massachusetts. It's the law most everywhere else."

The banker was about to continue when Lucifer cut in. He always had cherished a wholesome dislike for what he called "petty

technicalities," and the vice-president's citations seemed absurd.

"Now look here, Mr. Martin; after all, that is a lot of tommyrot. Where does it have any application in my case? You know I am president of a corporation. I am not going to steal anything. You have got to trust the men you deal with. Otherwise, you wouldn't lend them any money. Business runs on credit. These little technicalities are absurd. They just make work for the lawyers."

#### Only a Matter of Good Form

"IT'S A matter conforming to good business practices, Mr. Smith. Of course we have to trust our customers. But—when we lend our customers money we always take their signed notes, their written promises to pay. Then if anything goes wrong, we have sound legal evidence of the debt. If the borrower agrees to pledge something as security, we always take a written pledge or mortgage."

"So it is in this thing we are discussing. As a matter of good business policy, we adhere to the legal requirements. When we take an account we don't anticipate trouble, but occasionally it arises. We never can tell in advance which accounts require the legal precautions. To play safe, we ask all corporations to furnish us with written proof that the officers whose names are on our signature cards have, in reality, expressly authorized power to sign checks and



"Too often the test is not whether we bankers are at fault, but whether an unscrupulous lawyer can make a case against us"



notes and endorse checks, drafts, and the like.

"It is the rare exception when anything goes wrong, but controls in corporation frequently change hands, factions sometimes are created, dissensions arise, and occasionally there are charges of mismanagement which bring on litigation. And a bank that has done the least thing that is not strictly in compliance with the law, always looks good to unscrupulous attorneys who are trying to hang a damage suit upon someone.

"In your own case, I haven't the least idea that any question ever will arise. Yet we can't apply the rule to certain corporations and not to others. If we did, we would presently become so lax that we would omit getting authorization from any. Don't you see that we owe it to our depositors (and you are one of them) and our stockholders to take every precaution against being held liable for paying on unauthorized signatures? Too often the test is not whether we are at fault, but whether a smooth lawyer can make a case against us. And juries, you know, have no tender regard for financial institutions."

Lucifer Smith's features relaxed. He was

beginning to see the logic of the banker's argument.

"No doubt you would be interested to know," the vice-president continued, "that we spend a great deal of time trying to explain that very question to corporation officers. They simply can't understand why the formality of passing by-laws or getting resolutions, and the like, should apply to them. They are honest, and think we suspect them of intending to do something crooked. But we don't question their integrity. We are just going through the necessary routine to protect ourselves against liability—remote, perhaps, but nevertheless a contingent liability.

"There are a number of little things like that which often start a customer to arguing. Every day or so, an officer or salesman for some company will come in with a check payable to the firm and want cash for it, or credit to his account. Of course we can't do it without making ourselves legally liable if it later develops there was something wrong in the transaction. If the amount is small, we occasionally wink at the irregularity and take a chance, but unquestionably we are laying ourselves liable.

"Another habit some corporations have

is to send down checks, bearing a rubber stamp endorsement, to be cashed. Legally, any check we cash for a corporation should be personally endorsed by an officer who is authorized to sign checks."

Any shreds of resentment that might have remained in Lucifer Smith's system were effectively soothed by the Havana he caressed, as he came out of the banker's office. His change of heart was so complete that when he saw Bruce watching him rather furtively through the ornate bronze bars of his cage he went over, shook hands with him and made a friendly remark upon the state of the weather.

A few hours later five men sat around a battered oak table in the office of the printing company. The steady rumble of heavy presses attested the healthy activity below them. Secretary Dan Houghton rapped three times with a glass paper weight.

"Order please," he said. "Oyez! Oyez! Oyez! The honorable Board of Directors of the Climax Printing Company, Incorporated, is now in session."

"Gentlemen," said Lucifer Smith, rising, "the first order of business is a vote of confidence for your president and your secretary and treasurer."

## It Mustn't Come Out in the Wash

How the Laundry Owners Are Seeking to Enlist the Aid of the Textile and Dyemakers to Help All Three Industries

By F. ROMER

**W**HEN AN American goes abroad with a letter of credit on an American bank in his pocket, he believes that letter of credit is worth to him every dollar he left at the bank in the place of its first amount.

But when he comes to cash it, and finds that it hasn't the value he thought because the rate of exchange has fluctuated, he doesn't write an irate letter to his banker. He doesn't return the letter of credit to the banking house and demand one that won't lose value.

### Changed to Disadvantage

**H**E understands that other agencies beyond the control of the bank have changed the qualities of that letter of credit to his disadvantage, and to make it worth its face value he would perhaps have to change the whole economic system of some other nation.

But when that same American sends his shirt to the laundry and it comes back to him with the silk stripes missing, he sees nothing but the laundry and that he sees red. His problem really is one of changing the system of manufacture which the maker of the fabric in that shirt uses. But, as in the case of his letter of credit, for him to correct the condition single-handed is too big a job. For him to expect redress from the laundry is unsound. Likewise, the facilities of the individual laundry are inadequate to correct the situation and adjust the matter for him.

Realizing this the laundry owners formed a trade association and coordinated with the

**I**N THE blue striped shirt which you put on to golf in, there are bound up the activities of a cotton manufacturer, a dyemaker, dyer, shirt manufacturer, button maker, retailer, laundryman and so on. When it goes to the laundry, it may or may not come back in the same color and shape in which it went. It will still be perfect only if each of these who had a hand in making it did his work well.

The laundrymen were human enough to assume blame when they thought it was due them, but they did object to taking the full brunt of the old cry "Blame It on the Laundry." So they organized, in self-defense, the American Institute of Laundering.

How its varied activities reach even down to the daily newspaper advertising and the retail counters is told by the writer. It is another of a series of articles appearing in NATION'S BUSINESS on the actions of trade associations which show how they are waking up to enlightened self-interest.

—The Editor

work of that association an institute of scientific research.

### The Purpose of the Institute

**T**HE theory back of its work was not to rectify the wrong which a laundry customer felt was done him by the shrinkage of his linen suit or because the buttons on his clothes became a shapeless, gelatinous mass after cleansing.

The purpose was more far-reaching, far-

ther-seeing. It was to prevent fabric that would shrink, dyes that would run, buttons that melt in water, cloth that would fall apart, from ever reaching a laundry. That meant the prevention of such low standards of manufacture as these things represented.

To bring about such a trade condition presented the problems of joining the interests of the laundry with the interests of the makers of textiles, manufacturers of dyes and the converters of the dyes into the cloth, the makers of clothes from the dyed fabrics and the retailers of the finished goods.

### Dyemaker's Standards

**U**NIL recently every dye converter had his own standards of fastness for dyes that he put into cloths. Today, in association meeting with the chemist of the American Institute of Laundering present, the dye converter is trying to arrive at a single standard for all, and a definition of "fast" which will mean something to the public and be a guide to the launderable qualities of a dye.

"What is the principal source of complaints to a laundry?" I asked J. Clair Stone, president of the American Institute of Laundering out at Joliet. "Is it losses, faded dyes or torn fabrics?"

"Feminine apparel," he replied. "Intensive selling methods, today, employ every known device to make women buy more clothes. Change of style each season is one influence; the other is color. In achieving the variety of color that is offered to women,



today, the manufacturer of women's wear and the convertors, the men who put the dyes into the cloth, consider only that the retailer wants goods that will sell quickly and the fastness of the dye becomes a secondary consideration to color.

"As George Johnson, our Mellon Institute expert, says, 'Convertors and retailers guarantee their merchandise in their advertisements to be fast-dyed, to be fast or commercially fast.' To the salesperson in the retail store there is no distinction between these degrees of fastness, if they are degrees. To the salesperson behind the counter the dyes are fast, and she tells Mrs. Public that they will launder successfully.

"The British have a Mis-branding Act, which makes it a serious offense to mis-label an article as 'fast color,' 'pure linen,' or 'silk.' The American Institute of Laundering is working for a label to go on every blanket, in every shirt, everything that is sold as launderable; the legend on that label, it is hoped, some day will be 'Made in Accordance with American Institute of Laundering Standards.'

### The Label

"WHEN the day comes that such a label is in everything a woman buys, public reproach for the laundry will be past, or passed where it belongs—at the door of the dyer or the man who substitutes a combination of cotton and linen for all-wool, hiding the deception by highly merchandizing his product.

"Meanwhile, retailers who understand the efficiency with which a laundry approaches the matter of cleansing any article that comes into it today, are cooperating to the utmost with us."

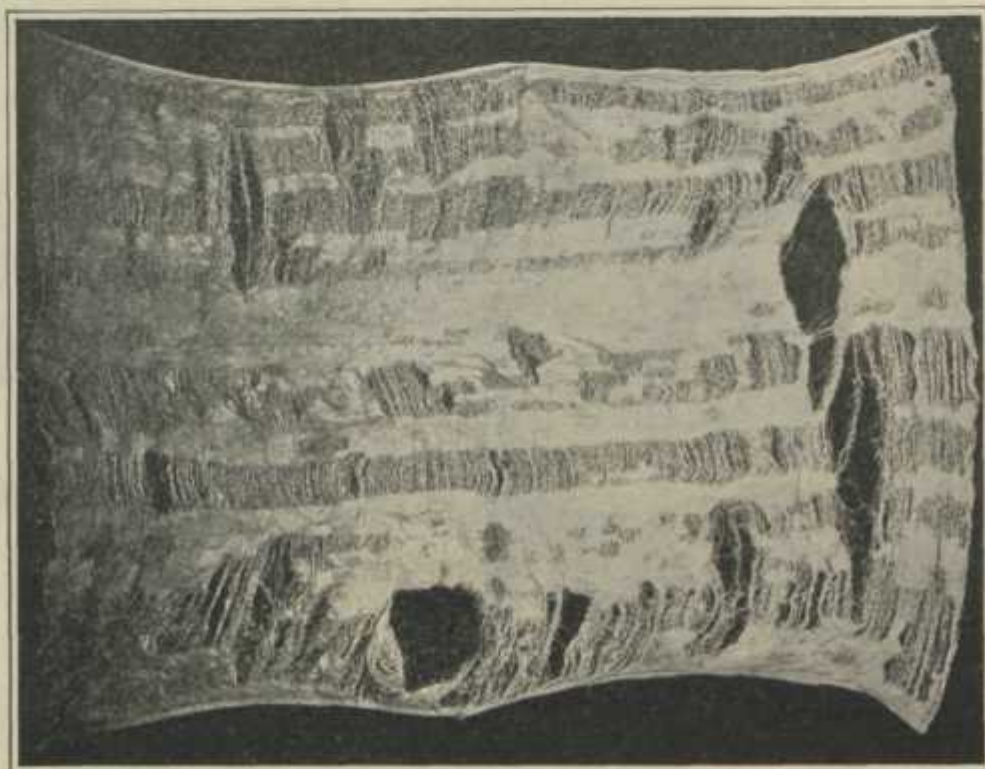
### When a Rug Went to the Laundry

POINTING out the advantages to the retailer in cooperation with the laundry, Mr. Stone related the story of a rug which came to the laundry and, looking like a familiar kind of good rug, was passed through. It came from the wash room in shreds. There was enough of the name of a local department store left on a sewn tag to identify the source of its sale. He bought another of the rugs there, cut it in half, laundered half with the same result, then took it back with the good half and the customer's ruined rug to the head of the department store. This merchant, with the facts laid before him, struck these rugs out of his advertising, shipped back to the manufacturer what he had in stock and gave Mr. Stone a new rug for his patron with an offer of her money back if she preferred.

This department store today maintains

among its sales people a class in textiles taught by a specialist in home economics. Aided by the bulletins of the American Institute of Laundering on the launderability of different fabrics and colors, the information these store employees get is correct regarding the goods they sell.

To persuade retailers to take up this work of sales enlightenment is one of the activities of the American Institute of Laundering. It is a far-sighted protection to the retailer—before long the public will be educated to know that an article which won't launder successfully in a public laundry is not a washable article and they will resent its being sold under such misrepresentation.



This is an example of the sort of thing the laundrymen sought to combat when they organized the American Institute of Laundering. This table cloth was made largely of paper, but the laundry got the blame when it went to pieces the first time it was washed. To prevent such a fusco, the Institute urges higher standards.

It has been the housewife's idea for many years that her particularly charming colored dresses, waists and fancy pieces she must do herself—the laundry would be bound to run the colors. Woman has been cooking for 15,000 years, baking bread for several thousand and washing clothes for 6,000, anyhow.

Now she buys bread baked by men, eats in restaurants where men do the cooking and keeps house without a kitchen. But she is still lacking in confidence in laundries.

A great industry, with a research laboratory at its command, should be able to tell more about color than a housewife who has simply had it passed down from her mother that if you put a little salt in the water and dip the piece in it, cold, the color will be set.

There are ten types of American dyestuffs used by convertors, and to wash with minimum risk the ones that are washable, the problem must be approached with different formulae in the case of cotton, linen, wool, silk, and substitutes like rayon. This is clearly a laboratory problem; not one to be solved in the basement of a home.

A recent bulletin to laundry owners from chemist Johnson bombs the belief that German dyestuffs are fast and domestic dyestuffs are not. Mr. Johnson is emphatic:

"It makes no difference whether a dyestuff

is made in Germany or the United States, if it's the same color its fastness is the same . . . as a matter of fact, every year the number of fast colors produced by American dyestuffs manufacturers is being increased. At present, even when the use of fast dyestuffs may mean an additional cost of only half a cent a yard in the finished goods, many a convertor orders the more fugitive colors simply because they are cheaper."

Of greater consideration to the laundry than the dye is the fabric deterioration which is undergone by goods treated with certain kinds of dyes. Dyes that cut down the life of the goods may be dyes that the laundry can set and successfully wash. But

the life of the goods may be very short because of the action of the dye and the discouragement of such dyeing practices is naturally a point with the American Institute of Laundering.

### Helpful

THIS might be considered enlightened selfishness. In protecting the laundry owner against difficulties arising out of fabric deterioration, the American Institute is also protecting the public and the manufacturer who is weaving an otherwise meritorious product.

But the manufacturer who is not making goods to stand up is another whose sins have come back against the laundry. Consider the home whose tablecloth

comes back from the laundry with its edges about as straight as an inebriated gentleman's progress around the town square. Does she blame the manufacturer? Ask the laundry route-man who brought her bundle back to the office.

Then there are the curtains that come back with holes in them. The housewife forgets that cotton and linen are vegetable matter. She has watched turnips and potatoes fall apart under heat but she expects her curtains to stand the sun's rays indefinitely without decay.

Many patterns on linens are simply pressed into the finished weave by passing the material through embossed rollers.

### Should Talk Problems Out

A GALLERY of hundreds of such exhibits has been accumulated at the American Institute of Laundering. The facts in these cases go forward to laundry owner members of the Institute and the Laundry Owners National Association. They discuss these things with the retailer while the Institute takes the matter up with the manufacturer. But it is the wrong way about. The manufacturer should, as some manufacturers do, discuss with the Institute the launderability of his product before it goes on sale.



# Business Methods in Abraham's Time

By EDWARD CHIERA

*Professor of Assyriology, University of Pennsylvania*

SO LONG as our source of information was only the Bible, all we knew about business in the time of Abraham was the interesting discussion between him and the sons of Het concerning the purchase of the cave of Machpelah, Sarah's final resting place. But even that can hardly be called typical of his time. With the additional complication of a lot of coffee drinking, business is still transacted that way all over the Orient.

Recent discoveries have opened for us entirely new vistas, and we know a good deal about business as it was conducted at Ur of the Chaldees; Abraham's birthplace, or, for that matter, all over the ancient land of Mesopotamia.

Way back in antiquity, probably in the fourth millennium B. C., one of these great pioneers, whose names will ever remain unknown, realized that writing by means of signs scratched upon a hard stone was a tiresome and lengthy process, and immediately proceeded to simplify it. He took a handful of wet clay, pressed against it a little piece of wood, and left upon it an impression that looked like a nail. By combining these nail marks into groups he reproduced on clay the current writing characters. The great innovator had substituted a material which was plentiful and easy to inscribe for one which was rare and difficult to work. Thus was introduced that system of impressing signs on soft clay which is now called "cuneiform writing."

## A Method Widely Adopted

THIS discovery filled a long-felt want and, long before the appearance of the Phoenician and Greek alphabets, was adopted by different races and for quite a variety of languages.

Without some good sort of writing material an orderly conduct of business would have been impossible, and we must give credit to the unknown discoverer if, relying for their records entirely on little pieces of inscribed clay, big factories flourished, banks and real estate establishments conveyed all sorts of property, and big public works were undertaken.

Houses and fields were rented, sold, exchanged or mortgaged; receipts for payment were given out, regular promissory notes were signed and legal proceedings instituted for lack of payment. All of these were generally private transactions between the two parties concerned and were therefore carried out outside of the big offices.

We already know that, in the ancient Orient, justice was administered at the city's gate. There we find also the tables of the scribes and, around them, groups of people in long and flowing garments. These are the contracting parties, each one bringing a number of witnesses. The final details of the agreement are settled with the help of the scribe, who offers suggestions, his special knowledge of the law placing him in a position superior to that of the no-

tary public of our own day.

Everything is settled. The scribe takes a piece of clay from a big lump which lies by his side, makes it into the shape of a small brick and proceeds to write upon it with a wooden stylus, somewhat resembling one of the modern square rulers. He marks the clay tablet with a lot of small wedges, some per-



The scribe at the city's gate takes a piece of clay from a big lump, makes it into the shape of a small brick and proceeds to write upon it with a wooden stylus.

pendicular and some horizontal. The work proceeds very rapidly and, at the end of five minutes, the contract is finished. It is read aloud, and no objection against any of its clauses is raised by the parties interested.

Then the scribe takes another lump of clay and flattens this against his table until he reduces it to the thickness of about one-eighth of an inch. This done, he wraps this once around the tablet he had already written, carefully removes all superfluous clay, and smooths down the edges. He thus gets a contract with an envelope, and proceeds to write down on the outside the very same text he had written on the inside.

It is now time for the two parties to sign it, and this they do by rolling on the still-wet clay the small stone cylinders on which are engraved their names together with some little scenes taken from religion or legend. After the contracting parties, all witnesses proceed to sign, always in the same manner,

until the tablet is all covered with beautiful seal impressions.

The document is now completed and handed over. When necessary, two copies are made, absolutely alike and with the same seals. This double writing of the contract, first on the inside document and then on the envelope, was a perfect protection against forgery. If one of the contracting parties ever accused the other of having altered the original document by changing some of the characters, the contract was brought before the judge and opened in his presence. If figures or words written on the inside did not agree with those written on the outside, forgery was evident.

Churches or societies of our day once celebrated by burning, a mortgage which had been paid off. In ancient times they would "break" the mortgage or the note.



And they would only break the outside cover of the deed which, containing the signatures, had legal value. The inside was preserved purely as a matter of record, as we keep the carbon copy of a deed.

Houses were usually rented for a year, and generally at very low rates. Common

they stipulate that, if a field has been neglected for a long time and thus requires much labor to make it yield a fair return, no rental price is due for the first years.

Mortgages were placed on property and houses "redeemed"; money and goods were given at interest, quite often for a short

because there was no postal system to deliver the letters. But still they must have found a way out of the difficulty, because quite a number of letters are found with the business records.

The old Babylonians did not possess a regular alphabet, and their system of writing was cumbersome and difficult to learn. The executives of those days spared themselves the trouble of studying it and employed scribes who kept accounts and took down letters. These were either men or women; young women in offices are not a modern innovation. The secretaries of those times were in a privileged position compared with the secretaries of today, for they knew how to write and read and their employers generally did not.

#### A Notable Difference

**AT DIFFERENCE** with modern times, letters were signed on the outside envelope, just as it was done with contracts; the addressee would open the letter by cracking its envelope with a small blow and peeling it off, leaving the inside message exposed. This system preserved epistolary secrets much better than any method devised in modern times.

To replace an envelope upon a letter written some time before would have been an absolute impossibility. Wet clay shrinks considerably in drying up. If both letter and outside wrapping are written at the same time, both will diminish in size together and without any trouble. But, should one take a letter which is already partly dry and try to wrap it in a new envelope, the inevitable result would be that this would crack and fall into pieces. A letter, once opened, had to remain open.

To get a fair idea of business on a large scale, we will have to enter the real business district. In America, we can easily recognize this by its skyscrapers; and it was the same four thousand years ago. The direct way to the banks and manufacturing plants of the place was indicated by the big, square tower surmounting the temples.

#### The Real Center

**FOR IN** ancient Mesopotamia life practically revolved around the temples of the great gods, and these represented the center of all business and scientific activity. They possessed immense lands, which permitted them to engage in agriculture and real estate; flocks and cattle furnished wool and hides, the raw materials for the textile and tanning industries.

Their immense wealth gave them the necessary capital for banking.

The office force required for the administration of one of the big temples must have been enormous, and certainly equal to that of many big corporations which are doing business today.



Illustration by  
John McCormick

dwellings were made of crude bricks and were not worth much. The contract of sale for a house or field began with a description of the property and of its exact location. The purchase price was then stated, and a clause was inserted to the effect that the contract was binding not only upon the contracting parties, who took an oath upon the gods of the city, but also upon their heirs.

When two houses or fields were exchanged, and these were unequal in value, the owner of the less valuable property made up the difference in cash. It strikes us as very strange that sometimes the right to serve as priest before the gods, for either a year or a month or only a few days every year, was traded for a house or a field. It was also sold for money or left in inheritance with the rest of the property.

Fields were rented for a fixed sum or for a certain percentage of their produce. This was generally one-third, but varied according to the condition of the field. The ancient laws, codified by Hammurabi at exactly the time of Abraham, regulate this, as they do all sorts of business, and protect the owner against the laziness of the farmer. At the same time

period, or until harvest time. The ancient Hebrews considered all interest as usury, and forbade it. The Babylonians permitted it and let it run high, generally up to 33 per cent on short-term notes.

Business could not be carried on without letter writing. In old times, business executives wrote much less than they do today,

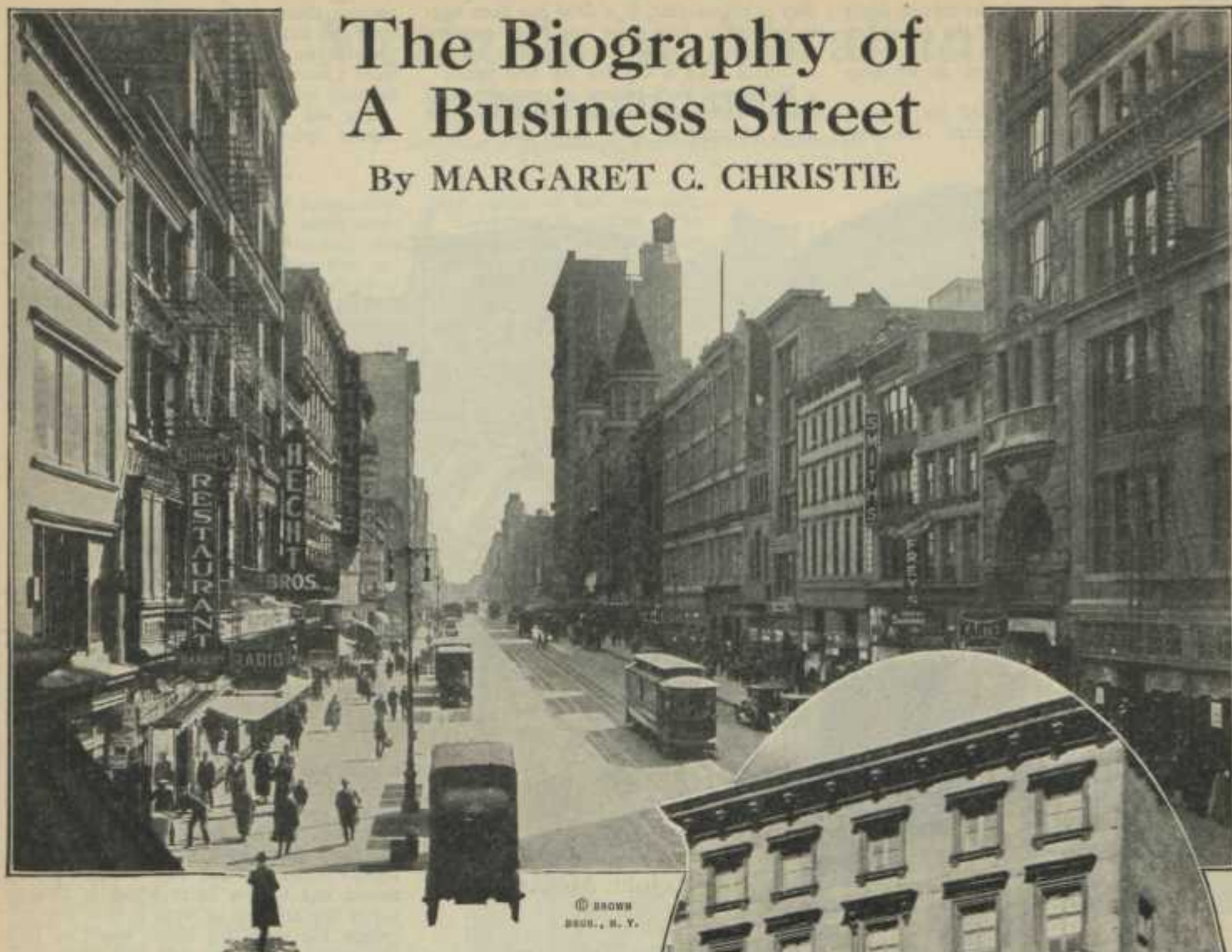


Here are shown the two sides of a clay-tablet business letter written 4,000 years ago, and found recently by Dr. Chiera in excavations near Kirkuk in Mesopotamia



# The Biography of A Business Street

By MARGARET C. CHRISTIE



© BROWN  
BROS., N. Y.

**GRAY LIGHT**—gold flaming as the early sun strikes sky and street and spar—gray shadows deepen—dark blots against the glow take shape—wagons, high-piled with green and gold stand in serried ranks before purple laden stalls, and burnished copper globes, mound-high. The watchers stir themselves from stolen slumber and gradually the dawn discloses day and where twenty minutes before had lain, mirage-like, an Indian village, tepee built, is now a most modern market—awake to serve a great city's needs.

## Early Morning Preparations

**SCARCE** half an hour and the place is thronged with those thousands charged with the cuisine of the vast caravanserai which is New York and in the rising mists vanish the Sepohanikans, whose village this was and who first before Fourteenth Street was yet conceived established a trading station and traded and bartered with Mynheer Hendrik Hudson when he first sailed up the Hudson.

Such was the genesis of Fourteenth Street, today the oldest retail street in the United States and, by recorded count, the most traveled traffic artery in New York or any city. Throughout its length and breadth it records the historic yesterday, and is a constant indicator of the progress of today. Bound up as it is with the very foundings of the country, today finds this notable thoroughfare not only the most important cross-town artery of Manhattan but a veri-

table cross-continent and cross-ocean channel.

Great transcontinental food trains arrive to meet at their piers huge ocean liners and trading ships of all the world—and vast is the loading and transshipping that goes on; grain from the western wheat fields to make bread for Europe—fruits from Southern and European ports for the delight of the Western palate—while from all points come the foodstuffs for the feeding of New York's millions.

The beginning of this gathering of roads and waterways is clearly indicated in the old maps and histories which show three great trails leading out from the fortified center of the settlement. The Bloomingdale Road, now Broadway, which followed the Hudson far enough inland to avoid the marsh land near the river. The Kingsbridge Road which trailed out about the middle of the island and to the East the Old Bowery Road which was later to become the Shore Road and which is now the Post Road, the established route to New England. As the village outgrew its



Once the site of an Indian village, Fourteenth Street, N. Y., is now America's oldest and most traveled artery of retail trade. Oval: The Van Mankelton, a landmark of the street, where many of the socially elect of other days were entertained

boundaries, one after another of the outlying villages were gathered in, but so staunch was the spirit that had gone to their making that even today their names remain, "Chelsea," "Greenwich," and the like. The old Ninth Ward, lying about, above and below the westerly end of Fourteenth



Street was for long the leading center of grace, thought and fashion, and while fashion has long since given way to the demands of business, the Ninth Ward well remembers its ancestry and behaves with dignity.

It was not for many a day after the coming of Hendrik Hudson, who, named Henry Hodgson, was given the Dutch cognomen by his Dutch sailors, that these developments took place. Within the knowledge of present owners of the land, once farms, which is now the dead center of New York, Fourteenth Street was a place too remote even for residential purposes. The most conspicuous remaining landmark of those days is the house of the man who found himself so lonely when ensconced there that he built himself another house on the Bowery Road. He lived there until about 1830 when his property with that of some of the neighbors was taken over by the city to become what is now known as Union Square. Then he returned to Fourteenth Street.

#### Old Van Buren Mansion

EVER since the present generation of New Yorkers remembers, that house, known to all as "The Old Van Buren Mansion," has stood a reminder of the days that were, undisturbed by the days that are, a milestone in the history of New York. It has garrisoned regiments and has taken part in the reception tendered most of the distinguished visitors and citizens of another day. When Henry Spingler bought several acres of ground in 1780 on the westerly side

growing. There were many widely separated colonies in different parts of the island. As the business or pleasure of one group or the other made juxtaposition with another desirable roads were laid out from the different settlements and gradually there grew up a thickly populated "down-town" which accounts for the present tremendous congestion and tangling confusion in the lower town where street meets street at every conceivable angle.

It was this tangle which led to the appointment of a commission, in 1807, whose activities brought about the simple layout of streets that is now evident about Houston Street on the East Side and above Fourteenth Street on the West. Union Square was provided for at this time, the commissioners most amusingly reasoning that at some future date, when possibly the town would encroach upon the open spaces of the city to some fairly large degree, it might be well for city dwellers to have an opening for fresh air and that, as many roads converged at this point, it would be well

Fourteenth Street the New York Times under date of February, 1879, headlines an article—"A merchant's curious reasons for locating in Fourteenth Street," and goes on to say that "Alterations have been begun to transform buildings covering no less than fourteen lots on Fourteenth Street into business houses for seven different retail firms, drygoods, carpet and millinery houses. Nearly all are to be large stores with every modern improvement, giving the notion that their owners intend to stay."

#### Why These Retailers Moved

THE TIMES article goes on to point out various reasons for this move of the retailer; the increase in the number of people living or doing business up-town, the liking of people to shop where the crowds were,



Afternoon scenes on Fourteenth Street before the discovery of musical comedies and "moral turpitude." Mustache cups, bustles, Victoria carriages and Victorian traditions—this was Manhattan of the late General Grant period. At the Academy of Music, left, the Prince of Wales was regaled at a ball in 1860. The building is used today as a motion-picture theater.



of the Bowery Road, the original house stood in the exact center of the present Fourteenth Street. It could be reached only by a private lane from the Bowery, and was moved back when Fourteenth Street was actually cut through and gave way to the present house in 1850.

Real-estate men watch that square block of value-increasing land with eager eye, but sentiment keeps the place intact, and children from the hospital across the way find health and happiness under its ancient trees.

Meanwhile the town to the south had been

to forbid further building. And an opening is all that Union Square can be called today, so built up is the surrounding territory; one might perhaps with more accuracy say rebuilt, so many of the old buildings have made way for higher and larger buildings. The most recent reported is the proposed demolition of the old Academy of Music where fashion long held sway and where some of the most notable entertainments the city has known have been staged, to make way for a modern office building.

Regarding the changes in the fortune of

this reason Mr. Hearn, who led the move, took no account of the number of men to be met on the streets but diligently counted the women on various city blocks suitable for or used for retail purposes. The result of his counting, done during the busiest hours of the busiest month for merchants in the year, October, are as follows: the average per block on lower Broadway was 40; on Twenty-third Street, 12; on upper Broadway, 37; while on Fourteenth Street, between Fifth and Sixth Avenues, the average was 74. For the sake of comparison,

and the fact, frequently brought out today by merchants and advertisers, that women are the purchasing majority. For



a count made within the last few weeks, during the most dull month of the shopping year showed 860 women and an almost equal number of men on the same Fourteenth Street block between Fifth and Sixth Avenues; a number easily doubled in October, November, December and January.

Then the old law of cause and effect began to show teeth. In a word, New York was having growing pains of a vast and stupendous character. Business stretched beyond the lower town and then beyond the limits of the first great trek, and Forty-second Street which, to quote the *Times* of 1879 again, "was too far up-town to be thought of for twenty years," became a most active center, with great retail stores settling themselves on Fifth Avenue, in Herald Square, and all the tribe of small shops hastening after as fast as their pockets would allow.

### Real Estate Prophets Erred

THUS Fourteenth Street became a central section instead of an outpost and many of those who were very wise shook solemn heads and, very genuinely sorry, said "her day is over," quite disregarding the extraordinary geographic and economic vantage which had been foreseen by that wise merchant who had first picked Fourteenth Street as an operating site for retail business, and whose business still remains on Fourteenth Street just where he put it in 1849.

The movement of many firms to the uptown areas had an immediate effect on the center. Values of real estate and rentals dropped and taking ad-

vantage of lowered rates all sorts of parasitic growths appeared on the face of Fourteenth Street. So the wisecracks justified their foresight, if foresight it might be called.

Then it began to appear that Fourteenth Street was the center of a great traffic distribution. Every subway and "L" and tube crossed her path with express and local stations for the convenience of her people and by recorded count she held the palm as the most traveled street in all the world.

### The Number of Passengers

THE LAST figures of the Transit Commission of New York City show that 167,205,000 persons annually enter or leave subway and "L" trains at Fourteenth Street and that of these 57,846,000 passengers purchase their tickets at various Fourteenth Street stations. This is an average of about 193,000 persons per working day.

The total number of ticket purchasers reported in all New York for the same period was 1,487,339,306, and none of these figures takes account of the thousands who use the surface cars and vehicles nor do any account for the newly opened cross-town subway from Brooklyn across Fourteenth Street which carried 15,272,752 persons during the first year of its existence, and 1,526,983

persons during the past month of July. These figures are not inclusive of transfers.

### Proposed Link with Jersey

THIS, the Fourteenth Street cross-town subway, ending in New York at a point just west of Sixth Avenue, is slated for continuation to the river and across to New Jersey on some not too distant day. Fourteenth Street being the logical place for the descent of the next vehicular tunnel, the first between Canal Street, New York, and 12th Street, Jersey City, being assumed by experts to be over-crowded before it is opened, the merchants of Fourteenth Street feel that the second should speedily be built, and that the cross-town subway might very well go alongside.

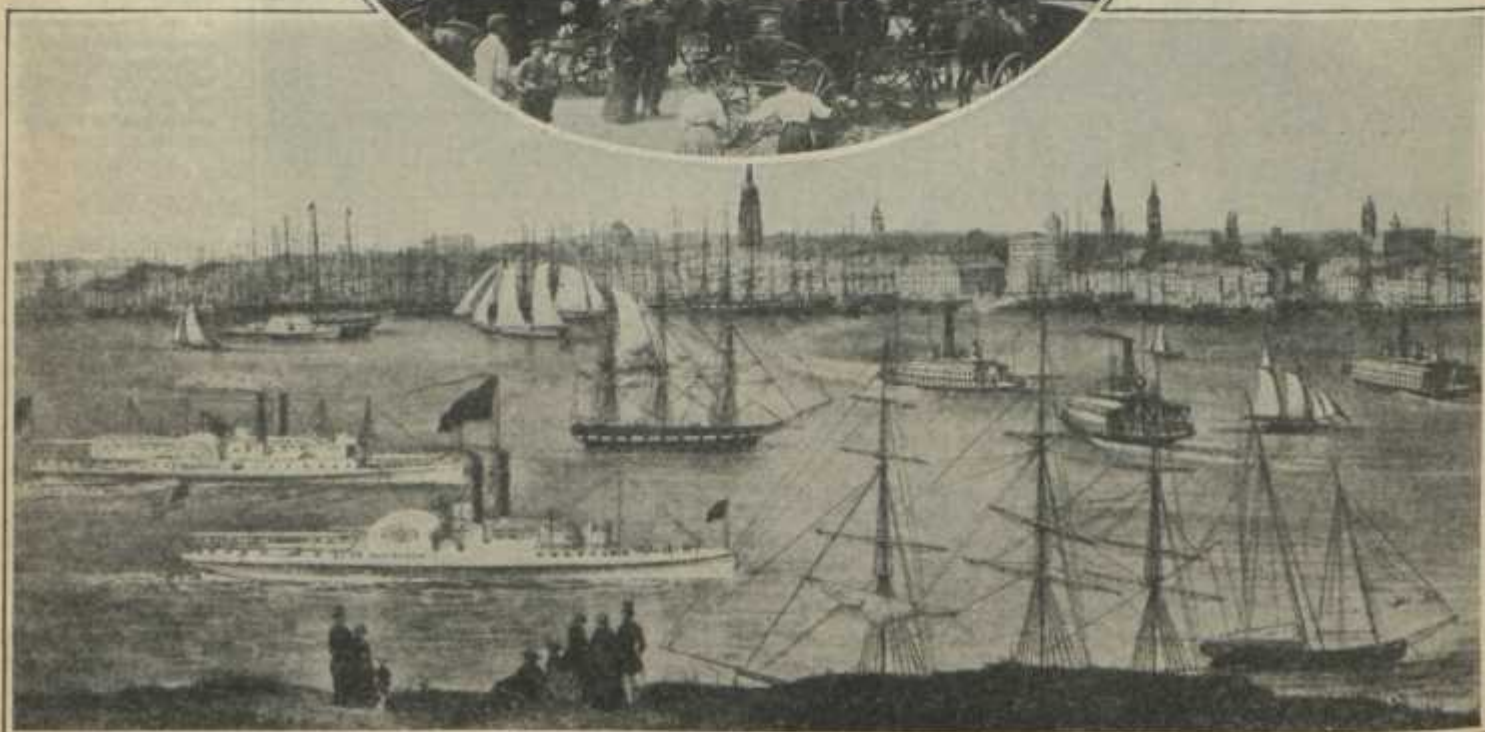
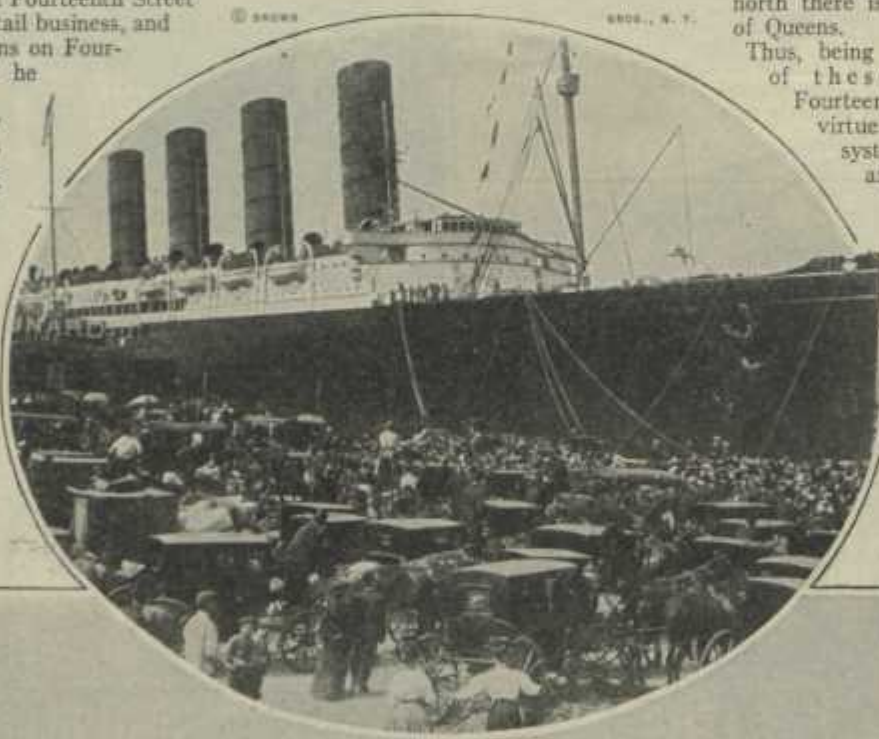
Now why should Fourteenth Street become almost over-night the greatest traffic center known? Two minutes with a map and a pencil will suffice to answer that question.

Take a ruler and a blue pencil and project the line of Fourteenth Street west across New Jersey and east across Long Island and it will be seen that on the west suburban New Jersey is about equally divided, although the more prosperous division lies south of the line, while on the east nine-tenths of Brooklyn lies south and to the north there is the fast-growing open space of Queens.

Thus, being geographically at the center of these far-reaching developments Fourteenth Street quite logically, by virtue of its extensive rapid transit system, became the greatest traffic artery of the world and the Transit Hub of New York.

Should the Sepohanikan return, he would find his trading post, the first retail center of New York, greatly grown—grown quite literally to the need of the world, for from his ports, night and day, sail great vessels and to his camp fires come the great and small from all over the world.

The *Lusitania* first landed in America at the foot of Fourteenth Street. She was welcomed by crowds who traveled to the wharf in horse-drawn vehicles. Below: New York from Brooklyn Heights when the northward trek to Fourteenth Street began





# The New Competition on Wheels

By RAYMOND C. WILLOUGHBY



To show the company's products to home owners, the American Radiator Company put out this bus, designed on the lines of an old English stage coach, brass rail and all. Oval shows the interior of the Crane Company's idea of "plumbing on wheels"

A GOOD deal of gasoline has flowed into the salesman's tank since the days when the old-time drummer hired a livery "rig," packed his samples in the back of the buggy, and jogged forth to share his big-town cigars and big-town stories with small-town merchants. That leisurely buggy age of salesmanship was prodigal of time and talk, but in its loose method was a considerable content of the immortal Barnum's belief that appeal to the eye makes as many sales as appeal to reason. That belief had its exemplars long before Barnum's time, of course, for the art of demonstrating merchandise is as old as civilization.

## New Ideas in New Times

NEW facilities for the practice of salesmanship and showmanship come with new times, and in this day the expression of those qualities is geared to the speed of the motor car, and not to the speed of the horse. With the motor car has come a new style in traveling salesmen. To give the motor car its due is to rate it an indispensable tool of business for capturing new markets, for holding old markets, and for meeting the competition that from day to day becomes more highly organized and more intelligently aggressive in its quest of the essential consumer.

In the development of traveling salesmanship the mode of transportation has always given distinctive color and character to the practitioners. Rich in illustration of that conclusion is the early foot-and-wagon period of distribution, the heyday of fabulous enterprise on the "road"—the burdened bulk of the itinerant peddler plodding through country lanes, the urbane agents "working" one side of the street and then the other, the picturesque "pitchmen" shaking down fair and carnival crowds, and the

flashy medicine men tolling the suckers of tall grass towns in one-night stands are among the fascinating figures still easily plucked from the pigeon holes of memory. Showmen all, their nomadic exploits provide useful footnotes on salesmanship, for they knew how to captivate the passerby and how to turn his idle interest to profitable account. They were professional optimists, prolific of promise, and all ardent advocates of a one-way money traffic. Could their dispensations stand as their monument, there would rise the mountainous millions of needle threaders, potato peelers, glass cutters, apple corers, tricky knives, untold bottles of liniments and cure-alls, books, "works of art," gadgets, gim-cracks, gew-gaws, and knickknacks of one kind and another—all part and parcel of an earlier and simpler America.

## Evolution of "House-to-House"

FROM that period of free-lance peddlers and hawkers evolved the systematic house-to-house canvass, a method that has developed a tremendous distribution of brushes and brooms, wearing apparel, and foodstuffs. State fairs have also served as the medium for the demonstration and sale of new inventions for home and farm use. When the light automobile became available, washing machines, portable electric light plants and similar utensils and appliances were stowed in the rear luggage space and hauled directly to the homes of prospective purchasers, there set up and then demonstrated—a sales method effective in the distribution of many products.



This active and progressive competition has made necessary highly intensive efforts to obtain an effective and profitable demand for the products of the individual manufacturer. To fertilize the trade fields enterprising manufacturers and associations of manufacturers have seized every available means of visualization to convince distributors and the public of the worth and merit of their goods. Industrial moving pictures, window displays and demonstrations, house to house canvassing crews, and trade conventions have been eagerly utilized to provide the required sales outlet for manufacturing facilities.

With the practical development of the motor coach and bus an even greater application of intensive salesmanship is now possible. The usefulness of motorized displays has already been exemplified in operations of sufficient scope and duration to disclose a considerable acceleration of interest in the products so promoted. This conclusion is supported by informative statements from the American Radiator Company, the Crane



Company, the Black & Decker Company, the Sheaffer Pen Company, the Ohio Brass Company, the International Business Machines Corporation, the International Harvester Company, the Bragg-Kliesrath Company, and the Brunswick Drug Company.

When the American Radiator Company was considering the sales possibilities created by the "gold rush" to Florida, one of the officers suggested a traveling display as a promising means to cover the state in the shortest possible time, and to show the company's products to home owners, prospective home owners, and to architects. From that suggestion came the striking red-and-yellow coach now in use for sales promotion. Designed by Raymond Hood, architect of the company's distinctive "black-and-gold" building in New York and of the new *Tribune* building in Chicago, the coach body is an adaptation of the lines of a typical English stage of the seventeenth century, retaining the characteristic brass luggage rail. Walnut is used for the interior side panels, and the floor is covered with black-and-white tiled rubber. Radiators, tanks, and boilers are on view. After the trip through Florida the coach went on tour through some of the eastern states.

From the manager of this exhibit during one of the tours comes a timely estimate of its value:

In the opinion of the writer, the value of this type of advertising as a tie-in with a well known and extensive national campaign is beyond measure. Though perforce a bit local, it puts the company's name before the public in a most definite and lasting manner. Even those who do not enter this show room will remember the "great big yellow bus."

In these days of extensive national advertising in magazines of many pages, it would seem that in many cases advertisements are overlooked. Such is not the case with traveling exhibits. An 8-ton truck, 29 feet long is not easily overlooked or forgotten, especially when it is gotten up in such fine taste as is the Arco Traveling Exhibit. What method of advertising could be more certain to imprint a company's name and product on the public's mind than a big attractively gotten up traveling exhibit? The results, though intangible, are beyond measure.

### An Exhibit on a Bus

**PLUMBING** and heating fixtures on wheels—a display that shows the newest devices and shows their operation is the ingenious idea of the Crane Company, now practically applied in the four traveling exhibits of its products. These exhibits are operated in different regions. One remains on the Pacific Coast, two are kept in the Middle West and in the South, and the other tours the eastern states. Thousands of persons have viewed the exhibits along their routes from city to city, and from them and their crews have received practical suggestions for the improvement of their homes, the company reports.

In each coach is installed a built-in bath tub, with overhead shower and curtains, an attractive combination kitchen sink and laundry trays; two types of water heaters, one using gas and the other kerosene; three types of lavatories; an automatic water system for use on farms and in suburban homes beyond the service of city water mains; and a glass-lined device for softening hard water. Other fixtures include a considerable variety of valves and faucets. The sink and the lavatories are connected with the Crane Automatic Water System, which supplies

running water by means of a pump operated on electric current from the batteries of the coach. This arrangement emphasizes the practical usefulness of the fixtures and provides an effective focus of attention.

An insistent problem of getting the merits of portable electric tools into the eyes and ears of busy executives has been solved by the Black & Decker Company with two demonstrating coaches. The solution of the problem is amplified by an officer of the company, who writes:

In some of the sales meetings which we have held for jobbers' salesmen who sell our line, we have had the heads of the business present, whereas we have been giving sales talks to these same men for years before and never had the heads of the business present. We find busy men willing to spend time to inspect the coach and once inside they become enthusiastic.

The novelty of the whole thing puts it across, although we know absolutely that had we not gone to the limit, or, as the common saying goes, "spent the last eighty-five cents" in making it absolutely the last word in appearance and appointment, it would not have gone across.

Only yesterday we had the head of a manufacturing concern ask us to send him a picture of this coach to hang on his office wall so he might look at it whenever he became faint-hearted in the deciding of his sales and advertising plans. In other words, the point he meant to bring out was that those concerns who had the courage and the spirit of adventure in their advertising and merchandising ideas could never be held back.

### Modern Sales Demonstration

**WHEN** W. A. Sheaffer decided that his fountain pens and automatic pencils should be in more hands, he determined to carry his goods to the people rather than wait for the people to go to the local dealers for demonstrations. On this decision he ordered a motor coach of special design to be fitted with displays of his company's products and to show the processes of manufacture. Built to those requirements the coach has an aluminum body 29 feet long and 7 feet wide. Extending the full length of the display space are plate glass show cases fitted with pens and pencils. Dark blue tapestry is used for the interior finishing, and electric lights are provided for the coach and the cases. To keep the coach comfortable in all temperatures a fan and a heater are available. Visitors may enter by the front or the rear door, and they have the golden assurance of "Visitors Welcome" lettered on the soft green of the coach body.

Notable is the educational service of this display, for the two attendants explain the operations required in the manufacture of the merchandise exhibited. Each visitor is asked to register and then receives a sample bottle of "Scrip," a writing fluid sold and manufactured by the company. No goods are sold or orders taken in the coach, the missionary work accruing directly to the benefit of the local dealers.

From Fort Madison, Iowa, "home of the Sheaffer pen," the coach has traveled 3,000 miles through Iowa, Indiana, Illinois, Arkansas, Tennessee, Mississippi, Louisiana, and Florida. In every town where the coach stopped for exhibition, crowds were attracted by its size and the novelty of its display.

If customers cannot come to the factories at Mansfield and Barberton, why not send the factories to the customers, reasoned the Ohio Brass Company. And

so this company decided to show its goods by means of a "traveling catalogue." Beginning with 1919 when a light truck was fitted with sample boards and driven to mines in Ohio and in Pennsylvania, four editions of this catalogue have been issued. So successful was the use of the first truck that a larger one was equipped with samples for display at mines, railroad shops and power plants.

### Complete Set of Samples

**SINCE** those pioneer ventures the company has bought two larger trucks for similar service. The older one has rolled up a record of 125,000 miles in touring every state in the United States, and parts of Canada and of Mexico. The newer of the heavy trucks is equipped with fifteen display boards, showing samples of insulators, rail bonds, mine hangers, section insulator switches, car equipment specialties, valves, line materials, and other products manufactured by the company. Both of the large trucks are kept on the road continuously.

Effective advance notice of the displays is accomplished by means of postcards, which read:

Here is the latest edition of the O-B Traveling Catalogue. It contains electric railway and mining overhead, track materials, car equipment, headlights, high tension insulators and brass valves. This truck is the fourth edition of a highly educational traveling catalog series which has been bringing the complete O-B line to utility, mine and industrial department heads and employees since the first truck was started in the year 1919. During this period, more than 250,000 miles have been registered on the speedometers. Many thousands of men have studied these exhibits—a convention brought to the men on the properties who work first hand with these materials.

Our latest and most elaborate Traveling Catalog is being received with greater enthusiasm than any of its predecessors. We hope to show it to you and your men.

Busy merchants of the bustling Washington market in New York left their stands to take an interested look at the traveling display of International Dayton store machines, reports the International Business Machines Corporation in appraising the results obtained with its fleet of demonstration cars. The effectiveness of the new method of getting the corporation's products before potential users and of stimulating sales is attested by the statement that:

In New York City, where these cars were first tried out, before additional ones were built, the idea met with instant success, and it has continued. New York is selling butchers, grocers, delicatessen stores, confectionery stores, cafeterias, factories, banks, etc., from the display car. Cleveland reports daily sales from the use of the car. Baltimore made ten direct sales—one of them aggregating \$970—during the first week the car was in operation. Similar results are reported from other territories where cars are being used.

Each day's experience adds additional evidence of the great help that the cars are to both merchants and salesmen. The merchants appreciate what the service means to them. They eagerly avail themselves of the opportunity to examine, without loss of time, our complete line of store equipment.

Salesmen working with these cars are enthusiastic over the comparative ease with which they are able to get the active interest of merchants. The cars enable them to get their machines before many prospects who might otherwise delay investigating for some time.

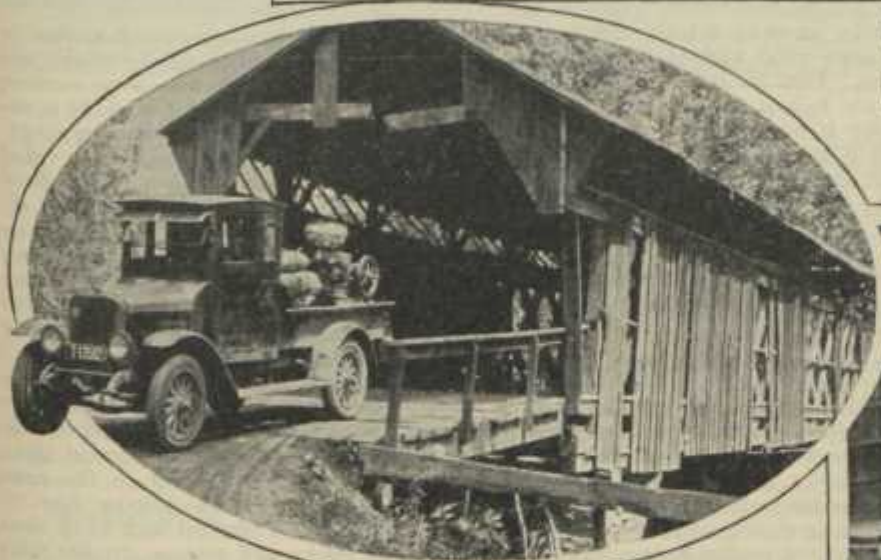
In front of McCormick-Deering dealers' stores, and rolling along country roads, early



## The Cycle of the New Selling— By Motor



Enterprising manufacturers have seized every available means of visualization to convince distributors and the public of the worth and merit of their goods. The motor bus shown above, maintained by International Business Machines Corporation, makes possible a larger territory for the salesman, and also helps him to get his message across to his trade in visual form.



The farmer once bought from a catalogue such machines and supplies as the stores found too bulky to handle. Now the International Harvester Company maintains a "travelling catalogue" as well as a service bureau for repair parts, and the like.

The "capitalization of casual glances" is not overlooked by the far-seeing manufacturer who uses motor buses in his sales promotion program. The picture at the right shows a group magnetized with the Ohio Brass Company's display coach.



The technical demonstration shown on the left is a good example of modern salesmanship in its most advanced form. The cash outlay before returns come in, if at all, is not inconsiderable. Faith in the product on the maker's part is vital. Excellent results from such promotion are reported by Black and Decker, makers of electrical tools.



in the morning and late at night, more than 6,000 "IHC Red Baby" trucks are delivering the message of improved farm equipment and service to American farmers. These trucks, painted red with gold lettering, and especially constructed for the dealers, are used for demonstrations, for selling, and for service. Farm equipment is transported from the dealer's store to the farm where it is demonstrated to the farmer—a modern means of taking the "show-room" to the prospective customer that has been "a great success in the way of increased sales," the company testifies. After-sale service is also facilitated by use of the trucks.

#### A Visible Demonstration

**TO BOOST** sales of a vacuum booster brake for motor vehicles, the Bragg-Kliesrath Corporation, patentees and manufacturers of the device, equipped a coach for demonstration and began a campaign to convince the automotive industry of the worth of the new braking system. Although the device operates on the regular conventional braking system of a vehicle, and is merely a booster of the pressure required to bring it to a full stop, it is obviously a rather intricate device to explain orally, but its simplicity is readily apparent when it is demonstrated. Of this problem and its solution the corporation says:

The success of the demonstration coach has been immediate. Therefore the ultimate purchasers of trucks and buses must be thoroughly convinced of the advantages of this booster brake. The Bragg-Kliesrath organization cannot see and talk simultaneously to every purchaser of trucks and buses. It must therefore, depend upon the demonstration and salesmanship of the selling organizations of the bus and truck manufacturers to "sell" their product to the ultimate consumer. It is, therefore, entirely upon the knowledge of the truck and bus manufacturers' salesmen that the Bragg-Kliesrath Corporation must rely, and in seeking to make the educational campaign among these salesmen and the salesmen of distributing organizations, the means was found in the equipping of a large bus with the booster braking equipment in plain view. The

Bragg-Kliesrath demonstrating bus will hold twenty men exclusive of a driver and the Bragg-Kliesrath selling organization and becomes both a portable demonstration laboratory and lecture room, operable in all kinds of weather, in any part of the country.

The operation of the Bragg-Kliesrath demonstration motor coach has made it possible to shorten down the national sales period on this new device to less than a year and has carried the knowledge to all parts of the country.

#### A Traveling "Sample Room"

**OLD** methods of selling drugs at wholesale have been attractively amended by the Brunswick Drug Company of Los Angeles, with a traveling "sample room." Of unique design the automobile body used is capable of expansion at the top and at the sides, and provides drawer space for 7,000 items sold by the company to retail dealers. The expansion is accomplished by means of an accordion-pleating construction. With the so-called "expando" body, the traveling salesman gets his "showroom" ready in half a minute by throwing a lever that engages a set of gears which slide the sides out and the top up. Then he invites the druggist to come in and look at the samples.

Entrance is by the front door, for the rear door is kept closed to prevent curious passers-by from distracting the attention of either the salesman or the dealer. When the body is expanded, there is ample room for two chairs and a desk. Hinged windows give light during the day, and electric lamps in the roof of the car make night work possible.

#### Bus Gives Novel Advertising

**SELLING** movies with a "trackless train" is an idea successfully applied by the Metro-Goldwyn Corporation. This train, powered with a gasoline motor, traveled across the continent from New York to Los Angeles, and later was shipped to England where it attracted profitable attention. The total weight of the load hauled is 24,000 pounds.

This brief survey of the use of motor vehicles to develop customer interest in

commercial products by means of educational displays and sales talks is suggestive, rather than comprehensive—it pretends only to give representative development, and not all developments. Certainly there must be many local adaptations of the general principle, as in Chicago where the progressive "Tatch-a-Radio" shop uses a distinctive car for demonstrating radio equipment and for soliciting purchases. A radio set, mounted on the car and operated from the driver's seat through a panel, and speakers attached to each side of the car, are distinguishing features. That the investment was sound is the obvious conclusion from the statement of the firm's secretary, who writes:

We have been more than repaid for our investment in this truck through the advertising which it has given us, and actual direct sales have been traced to the truck other than business which was secured through solicitation.

#### Buses Have Proven Worth

**TO EXPECT** the display coach at once to displace the familiar sample trunks and the eloquent optimists who have so long checked in and out with them would be as unreasonable as to doubt that the demonstration car is setting a new standard in visual education and in salesmanship. Records of the coaches now in use establish their effectiveness in country-wide tours, and invite a broader acceptance of their ingenious facilities for showmanship and for salesmanship. Further development of design is a matter of course, and waits only on the designers' knowledge of special needs.

In the demonstration of commercial products these traveling sample rooms have demonstrated their own worth and usefulness. They are an attractive sign of these progressive times, a first-aid to the new-style traveling salesman—helping him to keep his customers supplied with fresh ideas and fresh stocks, and perhaps, fresher tales of the open road than could be found in the oldtime smoking cars—helping him to sell to the eye as well as to the ear by capitalizing the casual glance.



Selling movies with this trackless train was profitably carried on by the Metro-Goldwyn Corporation, through a coast-to-coast tour.



# The Return of the Towns

By WALTER BURR

*Professor of Sociology, Kansas State Agricultural College*



**A** RESOLUTION is in order to disband "The View-with-Alarm Club." Since the dues were nil, it has been growing in membership in city and country for the past few years in America.

As a rural organization, it has been overplayed, the folks are tired of it, so we'd as well bid it a last and fond farewell.

American life has centered from the beginning in the small towns. There are more than 75,000 of these towns, scattered over our national domain, as against a few separate and distinct cities, in spots that are conducive to the development of industrial centers.

## Prophecies of Professionals

**I**N THE past twenty years a lot of things have been happening to cause people who loved the old home town to view with alarm its symptoms and condition. They have told us that people were flocking from the towns to the cities, and that, since the most enterprising ones leave, only the drones are left to reproduce their kind. They have said that, since the rural people were deserting and moving to the city centers, all the live merchants were bound to follow, and trade was dying in the towns.

Lyceum lecturers from the eastern cities have rollicked through the small towns of the middle west, telling over and over the sob story about the boy who broke home ties, left the home town, went to the big city, and became Somebody.

They said the schools had become decadent in the towns, and that the churches had played out. What a requiem for the departed these paid howlers of the lyceum platform did prate!

In a certain mid-western university a few years ago, an instructor was educating his students as to the ideal community arrangement which must prevail in the future. He had it all charted perfectly on great maps on the wall of his classroom. At the exact geographical center of each county there was a city—the county seat. Roads ran into this city from every part of the county, each by the most direct route. All the towns were wiped off the map. It looked well on paper.

I have traveled in the middle west in the interests of community work for the past twelve years, and more than one town has

been pointed out to me as "doomed within five years." Yet every such doomed town is still there. These towns don't fold up their tents like the Arab, and quietly steal away—just because some theorist prophesies that they ought to.

The community instinct is an outgrowth of the homing instinct, and the homing instinct is very strong. After a flood along the river banks, people don't desert the flooded districts and leave them to turtles and toads—they build dykes and go back in and reestablish their homes and communities. Even in close proximity to a volcano, when a town has been destroyed by an eruption, the people have gone back as soon as the lava cooled and built newer and better houses out of the new building material that mother earth sent up to them.

Strange, isn't it, that we wouldn't learn after a while that organized life passes through crises, and out of them! Strange we haven't learned by this time that every "dark age" is just the winter period that makes the springtime more sure.

## Cities Compete with Towns

**T**HE TOWNS were on the run, no doubt about that. Merchants did leave, following the lure of the city. Farmers did drive through the towns, and go to the city to trade. And the members of "The View-with-Alarm Club" wagged their heads and said, "The poor towns; they are gone forever." Industries offered jobs that paid better than any work in the town could pay.

Good roads drew people away to the cities for trade and recreation purposes. Demand for high school education lured the young people to the city high schools. Rural free delivery made it unnecessary for farm folks to go to the town post office, and possible to ignore the town store by getting their stuff from the mail-order house. The automobile enabled the farmer to go 40 miles away to trade or for pleasure in the time that it used to take him to go 10 miles to town.

This did develop a certain small-town situation, in contrast to the city situation. Main Street was played up for ridicule—as well as for profit.

But the small town is coming back—and it's coming back laughing.

During a recent automobile trip of nearly 1,000 miles, through a great lot of average

towns, I checked up the information the folks gave me, with the results of some studies made during this last year. Here are the results:

People have left the farms and small towns, and we were at first scared about it, but we know now that it isn't the number of the population in a given area, below or above a certain point, that counts, but what they are doing and where they are getting with it. The numbers have decreased on the farms in the middle west through two processes. One is the introduction of labor-saving machinery. When labor-saving machinery comes into any business, laborers go out.

We, who were printers on the road when the typesetting machines came in, know that for every machine installed four men were fired. The old tramp printers were prophesying that the printing business was killed. But it wasn't. It was just being readjusted.

In the country, labor-saving machinery means more than the actual farm workers going out. Farming is a family industry. When the farmer leaves, his entire family leaves. There's no male boarding house proposition there, such as you find in industrial centers. The figures of every mid-western state will show that in the past ten years the number of farms has been reduced.

"Abandoned" farmhouses can be seen here and there. Also "abandoned" town houses and store buildings. By digging around one might also find in many places in America "abandoned" Washington Hand Presses. To say that the abandoned farm home, or town home, or town store building, is a sign that the town and its adjacent community is to disappear, is as foolish as to say that abandoned Washington Hand Presses prove there could be no more newspapers and books printed.

## Number of Houses Isn't All

**I**T ISN'T numbers of houses and of people that count in the rural situation. The question is one of productive acres in relation to the number of people working on those acres. Where the house is abandoned, the farm isn't abandoned. It is merged with another farm, and farmed in a bigger and better way.

That means, however, that a family of father and mother and possibly eight or ten



children has disappeared from the trade territory of the small town. That many people go out of the business of buying materials for food, clothing and shelter. The number of buyers diminishes by that much.

Here and there a piece of land itself is abandoned. But where did we get the notion that *all* land ought to be farmed? The thing to feel sorry about is not that such a piece of land was abandoned, but that anyone was ever fool enough to do the tragical thing of trying to farm it when a simple investigation would have shown there was not enough fertility there to pay to farm it.

Improved farm machinery means for the present fewer workers on the farm, and fewer workers on the farm means fewer families. And it's all to the good. That means also in some cases fewer stores in town, and when the storekeeper and his family moves away, an abandoned house in the town. In the long run, that doesn't hurt anyone, either.

The other reason for a decreased population is the decrease in the size of farm families. A good old-fashioned doctor who has practiced in the same community for thirty-five years, and has kept books carefully, proves that in his community he had twenty years ago twice as many calls on the occasion of childbirths as he has now. Farm families used to number ten and twelve children, while now they number three or four. The same change has taken place in the size of town families. But we've ceased to view this with alarm. Rabbits multiply very rapidly, and get to be an awful pest. People don't honor the rabbit because of its prolific tendencies.

### Children and Economics

**THE FATHER** who has ten children must buy ten pairs of shoes, while the father who has five must buy only five pairs. That cuts down the business of the shoe merchant. Under conditions otherwise static, if the same ratio of change in this respect maintained through an entire community, half the shoe stores could be abandoned. But is there anyone who advocates increase in the birth rate merely as a means of speeding up the clothing business?

The business men of the small towns have gotten wise. It was a groundhog case with them. If you would offer to bring a thousand people into the average mid-western town tomorrow, and put them into what vacant houses there may be there, and have some of them go into business in vacant store buildings, the community club of farm and country business men would probably meet and protest.

Where would there be any extra room for these people, what would they do to make a living, and if they couldn't make a living, who would take care of them? Business men of the towns didn't pass through the experience of the boom days for nothing.

In this regard a community is like an individual. He has started back when he quits running and finds himself. So here's good news! The town knows itself, and it's started back!

While old kinds of business have disappeared, new kinds of business have appeared in the towns. There are the sales agencies for automobiles and trucks. Every town has them. The man in charge is related also to thousands of others like him in a wonderful system of salesmanship in a line which was absolutely unknown in the towns twenty years ago.

There are the new implement dealers who

sell farm tractors and other power machinery. If you think the towns are being wiped off the map, you ought to go into the wheat country just now and witness the business being transacted in Combines! It's a bigger business and in terms of bigger money than was ever dreamed of by the town merchant of fifteen years ago.

The filling stations! Is it possible that most of us have failed to realize what these new institutions mean in the appearance of the small town, and in the amount of business transacted?

Why it was not more than fifteen years ago that, if you ran out of gas in the average town, you had to go to an ordinary store and have the storekeeper bring you out enough in an old can to carry you to the nearest city where you could find a filling station. Now every town has two or more. They are located on the corners that used to be decorated with dirty billboards or overgrown with tall weeds—or both. They are works of art, and usually centers of information which put the old town post office entirely into the shade.

They make the town not only a service station for farmers, depending for prosperity upon the number of the farm population, but as well a service station for the people of the outside world, who happen to be passing that way in large numbers just now.

The garage and power machine shop! Do you remember the old town blacksmith shop? The blacksmith used to be a wagon-maker, too. His little shop was a lively place. Sometimes there were two or three of them in the town. Then you saw business slowly die away from them—you saw the blacksmith shop change hands frequently, running down a little with each change, and finally you saw it close its doors entirely. Just now those doors are opening again.

There's a lot of power machinery there, and it sounds like a young factory in full action. For there's constant business repairing autos and trucks and tractors. Last week I drove through a town of three hundred and fifty population in western Kansas, and, needing some repair work done, I stopped at such a shop. There were two expert auto mechanics there, they had the latest power machinery, one piece which they had just installed as a labor-saving machine being the first one of its kind I had ever seen.

### Main Street Isn't the Same

**COMMERCIAL** buses that are going from city to city now are making a difference in the towns. They don't have their rights of way out through the ravines and dump heaps. They haul their passengers right down Main Street, and stop long enough for the passengers to get out and get a drink at the soda fountain, or make some emergency purchases at the clothing store. That means that the soda fountain and the clothing store have had to dress up and keep dressed up. "The old gray mare ain't what she used to be"—and neither is Main Street. Mr. Lewis, please take notice!

Had it slipped your attention that Main Street has dressed up in the past few years? A brick block (fires have helped some in most towns), plate-glass windows, goods nicely displayed, modern equipment within—come to think of it, the store in the average town is quite different from what we were accustomed to twenty years ago.

Try to make some purchases there, and you'll find that the new type of town storekeeper knows and sells the standard makes of goods. The traveling salesman has helped

at that point. He has been a real missionary of progress to the small town.

Twenty years ago, did you ever try to get a bite to eat and a cup of coffee in a small-town restaurant? Well, you didn't the second time. But you know towns now that you'll drive 10 miles out of the way to hit at dinner time, to get good, wholesome home cooking. They raise the stuff close at hand, prepare it in good country style, and sell it at retail to the traveling public.

### Towns as Shipping Centers

**THE TOWNS** are organized better than they used to be, to ship out their products. Here's a place of fourteen hundred people, where they have established a big poultry- and egg-shipping center. This is in the midst of a semi-arid region. A modern building, properly arranged and ventilated, with well-equipped office rooms, a good warehouse, ample side track from the main line of the railroad. Car loads of poultry shipped direct to New York City. Can you beat it? Who says that town has not come back?

Last night I rode the Jersey—no it wasn't at a rodeo. The "Jersey" is a train that runs every day through a certain section of Kansas and into Nebraska, to gather up the cream cans that await it at each town railroad station. It's a slow train, with stops everywhere. But farmers are shipping the cream out from the towns, through local agencies, and getting cream checks for it every week—real cash money from the outside world—cashing their checks at the local banks and spending a lot of the money with the local merchants.

It's true there was a time when city high schools lured the young people away from the towns. But in the past twelve years the towns have erected their own high school buildings. As one travels across these mid-western states, he is impressed with the fact that towns everywhere have gone into the high school business. The local young folks are living at home and going to school. That is making a new social life in the town, such as was not known prior to twelve years ago.

From the cities they are doing some things that are helping the towns to return. Certain railroad companies are moving their repair shops from big city centers out to small division points. It saves overhead cost, minimizes the risk of labor troubles, and scatters service stations for repair work. What do you think of a community club, in a town of fifteen hundred people, meeting at a noon luncheon with one hundred and fifty men present, made up of farmers, merchants, and railroad shop men? That's a reality. Such things were not happening in the towns fifteen years ago.

In the east, there's a notable tendency to scatter industrial plants. This has become so marked that an organization has recently made surveys and published the results, of the influence of these industries upon the rural areas through which they have been scattered. In a journal published for factory executives there recently appeared a series of articles entitled, "Why We Moved to the Country." They told the personal experiences and impressions of managers who had taken their industries out of the city centers into the small towns.

The automobile, the radio, the airplane—are we passing into a decentralizing period, when the population will scatter back to the grass roots?

At any rate, the towns are returning, and the prophets that have been croaking disaster are already getting old and senile.



# Instalment Selling and Future Buying

By WILLIAM T. FOSTER and WADDILL CATCHINGS

Cartoons by Stuart Hay

"**I**NSTALMENT selling is all right, if it is not overdone." That appears to be the common opinion. We wonder if it would not be nearer the truth to say that instalment selling is helpful to business temporarily for the very reason that it is overdone. "It is a good thing for business," most people agree, "as long as dealers do not oversell the consumer." In a certain sense, however, it is a good thing for business, precisely because it enables dealers to oversell the consumer.



"The consumer received eight billions in five years from industry which was turned over to savings banks."

ever, consumers in the aggregate never do. On the contrary, they constantly increase their savings, year in and year out, in war and in peace, in depression and in prosperity.

There are these two main reasons why dealers cannot long continue to sell for cash, without a fall in the price-level, all the goods that are turned out: First, because industry does not disburse to consumers—as wages, interest, dividends, rent, and the rest—enough money to buy its products; second, because consumers, under the necessity of saving, do not spend even as much as they receive. Since, therefore, consumers cannot buy the goods with their current income, industry has resorted more and more to the device of handing them the goods, to be paid for out of future income.

## Theory Deep, But Facts Plain

**I**F ALL this sounds like nothing but theory, and obscure theory at that, the facts themselves are plain enough. Take the facts in the automobile trade, for example. Nobody doubts that in 1925 this country alone turned out about three and one-half million passenger cars. There are the cars, actually produced. The next concrete fact concerning which there is no dispute is that cars were sold in 1925 to the retail value of about three and one-half billion dollars, with only about one-third of that amount paid down. Consequently, there are now several million cars in the hands of consumers, on which at least one billion and a half of payments are still to be made.

Automobiles, moreover, are only one of innumerable commodities that are now sold on easy payments. To be sure, we have not yet been urged to buy chewing gum for a penny down and a penny a day, on the ground that, since it may last a week, we out to buy it out of income instead of out of capital. "Chew as you pay" is one of the slogans which even the tobacco people have spared us. Many millions of consumers, however, have already bought

ises from the same basic analysis of the problem.

What, then, is the basic meaning of the recent growth of instalment selling? It is this: *In a period of increasing productivity, industry turns out more consumers' goods than consumers can buy with their incomes.* That is the bed-rock fact. Any discussion of the subject which fails to take that fact into account is superficial. To overlook it is like making permanent plans for the traffic of a city on the assumption that the traffic does not increase, or on the assumption that each additional motor car brings with it its own parking space.

As a matter of fact, the piling-up of stocks that cannot be sold for cash, without a fall in prices, is a normal phase of business expansion. It comes about, as we explained in the June number of *NATION'S BUSINESS*, because industry does not pay consumers as much money as it expects consumers to pay for its products—as much money as consumers *must* pay if business is to expand and prosper. In other words, business is conducted at a profit. Consumers, moreover, have no source of income other than industry. Consequently, as the flow of goods into consumers' markets increases, the flow of money into consumers' pockets does not increase proportionately. Presently, there are more goods on hand than the people can buy and pay for out of income, at going price-level.

## What the Buyer Must Do

**T**O TAKE these goods away at current prices, therefore, consumers must spend enough of their savings to make up the deficiency of current income. That, how-

Paradoxical as all this may sound, it points the way to a clearing-up of some of the confusion which exists in the widespread discussion of instalment selling. It is only when we consider the fundamental meaning of the growth of this kind of business, that we understand how it happens that men of the highest ability differ as sharply as they do on this subject. An explanation of the basic meaning of instalment selling may give the disputants a common ground.

## Why Disputants Disagree

**A**T PRESENT they do not meet on common ground. One man goes so far as to say that the promotion of instalment selling by means of the extension of banking credit to consumers is "one of the greatest economic forward steps that financiers have devised in modern times." Another man says, on the contrary, that instalment selling is "the vilest system yet devised to create trouble, discontent, and unhappiness among the poor." Here are opinions which seem as far apart as the poles. Yet both these men are distinguished industrial leaders, notable for their successful efforts to promote the well-being of their workers. The former is A. R. Erskine, president of the Studebaker Corporation; the latter is George F. Johnson, president of the Endicott-Johnson Corporation. Both these men must be right, in some important sense. Yet such able men, we feel sure, would not reach diametrically opposite conclusions if they got their prem-



dresses and rings and parlor sets on partial payments, not to mention kitchenware, pianos, refrigerators, oil heaters, table cloths, radio sets, and the rest. The Simple Simons of our day do not have to contend with many unprogressive Pic-men. "Show me first your penny" is not the slogan of the most rapidly expanding new industries.

### Three Billion Not Paid Yet

ALTOGETHER, there must be in the possession of consumers at this moment, goods to the retail value of not far from three billion dollars, exclusive of houses, which have not yet been paid for. The actual sales price of fifteen kinds of commodities, bought on partial payment plans in the year 1925, appears to have been about six and one-half billion dollars. The actual instalment debt outstanding at any one time with allowance for overdue accounts, must have been nearly three billion dollars. And there is some instalment selling for which we do not have even estimates. Assuming that total sales to consumers in 1925 amounted to forty billion dollars, the value at any one time of the unpaid part of the goods bought on instalments seems, therefore, to have been about 7.5 per cent of the total retail sales of the year. These estimates, though from different sources, are closely in accord with the estimate of the Chamber of Commerce of the United States that 17 per cent of the goods sold at retail are sold on time.

The plainest fact in this whole situation is that these goods actually were produced. Nobody needs an imposing array of graphs and statistics to convince him of that fact. Equally plain—at least to those who have to do the selling—is the fact that most of these goods would not have been sold at all had buyers been required to pay cash for them. And just as plain, to those who have studied the statistics of consumer income, is the fact that the people who bought these goods *could not possibly* have paid for them out of income.

That, however, is not the whole story. Had we not contrived to pass on

to consumers in this way about three billion dollars' worth of goods in excess of what they have yet paid for, most of these goods would not have been produced at all. Now the people are perfectly able and willing to make these goods. That, as we have said, is the plainest of all facts. The people not only can, but actually do, make more motor cars, furniture, fur coats, washing machines, refrigerators, and no end of other commodities than they have the income to pay for. Nevertheless, in spite of this unquestioned ability and willingness of the workers, they would not have been allowed to make these goods, if the people who wanted to buy them had not been permitted to buy them on credit. In that case, a large part of the wages and dividends, paid in connection with the production and sale of these goods, would not have been paid at all.

### The Country's Business Saved

FROM these plain facts, we come to this plain conclusion: The expansion of instalment selling has saved the country, up to this time, from a marked business recession. There is no doubt that industry has been more prosperous during the past four years, the volume of employment and production larger, and the national income and standard of living higher, than would have been the case had it not been for instalment selling.

Does anyone question that conclusion? If so, let him consider what would have happened if three, or even one, billion dollars' worth of goods, which are now in consumers' hands and unpaid for, had not been made, or if a large part of these goods had been made and left in the hands of manufacturers and merchants. Would anything

have prevented a chilling fall in prices? As a matter of fact, not even the huge instalment sales of the past year have prevented prices from slumping.

### Automobile as an Example

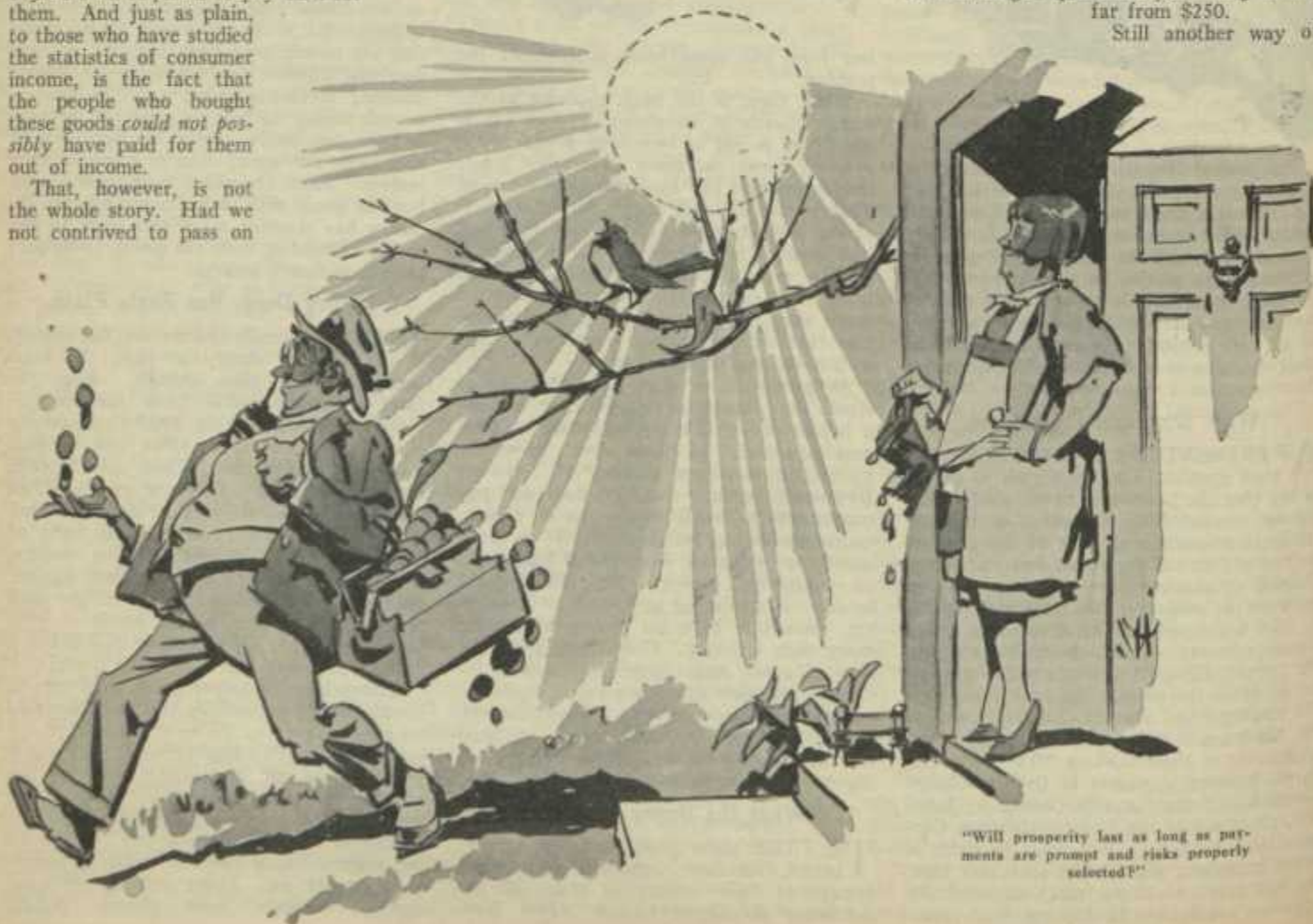
CONSIDER the effect of automobile sales alone. Nobody doubts that business as a whole would have had a severe setback, if sales in general during the past year had fallen off even one billion dollars. Yet experts in the automobile industry feel sure that sales in that field alone would have fallen off by that amount, if nobody had been able to get a car to drive without paying cash for it.

It may seem that the increase in the volume of goods sold on instalments has been too small, compared with the total volume of production, to have prevented a slump in business. The fact is, however, that the volume of production appears to increase, over a long series of years, at the average rate of not more than  $3\frac{1}{2}$  per cent a year. The total ordinary, annual increase in output, therefore, could be distributed to consumers by means of an increase in time sales which covered about  $3\frac{1}{2}$  per cent of the annual gross production. Time sales have not grown at that rate; but even an increase of half a billion dollars in time sales would cover more than 25 per cent of the annual increase in production.

### In Terms of National Income

ANOTHER way of considering the volume of instalment selling is in terms of national income. If the income of the United States in 1925 was 60 billion dollars, more than one-tenth of the income was spent in buying goods on instalments. This amounts to an average expenditure per family of not far from \$250.

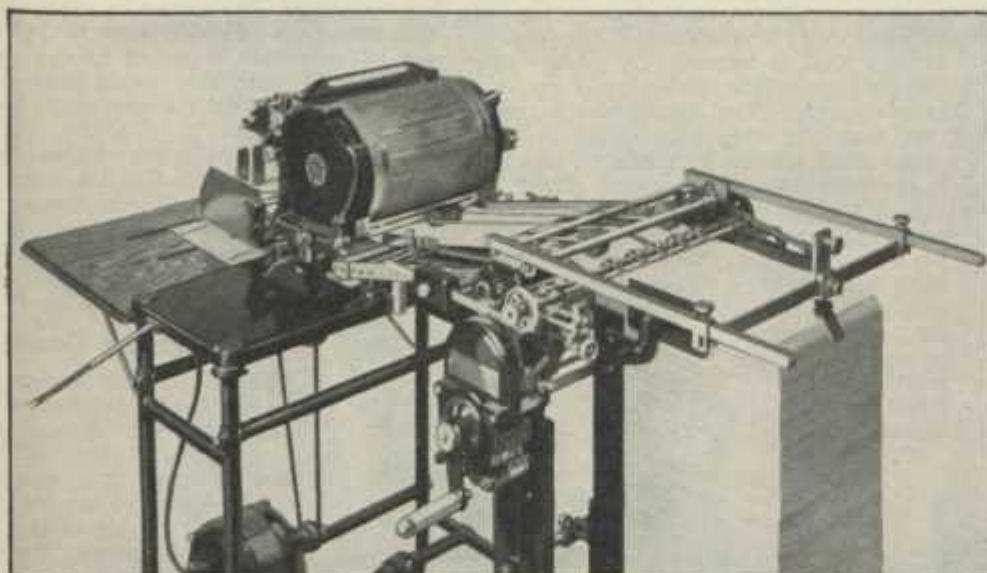
Still another way of



"Will prosperity last as long as payments are prompt and risks properly selected?"



# —NEW MODEL No.66— the printing *MULTIGRAPH*



## The Printing Multigraph

A high-speed rotary printing - press, power - driven. Equipment complete with typesetter occupies only about 4x8 feet. Feeds automatically. Feeder holds 5,000 to 6,000 sheets ordinary stock, any size from 3 x 3 to 11 x 14. Will take folded stock, cards, envelopes, etc. Machine prints direct from type or electrotypes with printing-ink—colors if you wish. Saves 25% to 75% on a great range of printed matter for business or advertising use. Can also be used for form-letter work. Other Multigraph models to suit the needs of any business. Ask for demonstration.

To see this highly improved equipment in operation, visit, telephone, or write to the American Multigraph Sales Co., at any of the following offices (listed in American telephone books under either "American" or "Multigraph"):

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BIRMINGHAM, ALA. 20 Watts Building	KALAMAZOO, MICH. 1201 Hillcrest Ave.	NEW ORLEANS, LA. 814-18 Maison-Blanche Bldg.	SAN ANTONIO, TEX. 308-10 Central Trust Bldg.
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comprehending the basic meaning of these billions of instalment sales is to compare them with the billions of savings. In the five years from 1920 to 1925, individual savings, in savings banks alone, increased over eight billion dollars. This means that consumers received from industry about eight billion dollars which they turned over to savings banks, instead of to dealers. Now most of these savings did not lie idle, but were used to increase the output of industry.

Consequently, these large savings would have resulted in a large accumulation of unsold goods, and would thus have caused a recession of business, had not the effects been offset in some way. There is no doubt that the effects have been partly offset by increases in the volume of goods bought on instalments; for each dollar's worth of goods delivered to consumers, and unpaid for, offsets temporarily each dollar of income which consumers save instead of spend.

### A Small Part of Credit

IT IS true that partial payment sales to consumers are only a small part of the total business of the country which is conducted on credit. We miss the point, however, unless we observe that instalment sales have been increased by means of bank credit which is extended on the consumer side, whereas nearly all bank credit was formerly extended to business on the production side. This increase in the financing of consumption has come about to a considerable extent through the development of finance corporations which are so conducted that banks are willing to lend them money, which they would not have lent on the accounts receivable of the old instalment selling houses. The net result is that a large volume of finished goods has been distributed to consumers which otherwise would not have been distributed.

This reveals the fallacy in a common argument. It is often said that the increase of instalment business involves inflation of credit which, like any other inflation of credit, brings on a depression. Expansion of credit, however, is ordinarily for the purpose of increasing production, whereas expansion of credit in connection with instalment selling is for the purpose of increasing consumption; and calling two essentially different things by the same name does not make them have the same effect. Overstocking dealers' shelves on credit is far different from overstocking consumers' households on credit. In point of fact, an expansion of credit which results in a net increase in retail sales helps to render harmless, for the time being, an expansion of credit which results in a net increase of output.

We come now to the most important question of all: How much longer can instalment selling delay a business recession? That question has hardly been grappled with

in the numerous published discussions of the subject. They have been concerned mainly with the safety of the individual producer or merchant or bank, or with the value of the plan to the individual consumer who uses it. Such questions are necessary and proper.

### What Will It Do to Business?

NEVERTHELESS, the country as a whole is much more concerned over the effect of increased instalment sales on general economic conditions, than on the welfare of the individuals who are directly responsible for this kind of business. A practice that benefits certain individuals may or may not benefit society. The most important question, therefore, is to what extent the economic gains effected by means of increases in consumer debts are permanent gains.

Why may they not be permanent? For several years we have had good business. It has been substantially aided by partial payment sales. What is to prevent us from increasing our sales every year in this way? As long as risks are carefully selected, down payments are large enough, periods

on instalments in each period of time are paid for in the next. For convenience, we will call each period a year.

In the first year, then, consumers buy forty billion dollars' worth of goods. Now the question is whether consumers cannot permanently increase their purchases by increasing the goods which they buy on deferred payments. Let us assume, then, that in the second year consumers increase their buying to forty-one billion dollars by adding purchases, the deferred payments on which are one billion. We assume, in other words, that consumers take away from the markets one billion dollars' worth of finished goods in excess of what they would have taken away, if they had not made increased use of easy payment plans.

That billion dollars' worth of goods, however, must be paid for out of the income of the third year, leaving the people only thirty-nine billion of current income wherewith to buy goods during the third year.

### An Increase Comes

TO SUSTAIN business the third year, therefore, at the level of the second year (namely, with forty-one billion of sales) it is necessary for consumers to increase their instalment buying to two billion. That means, however, that in the fourth year consumers must use two billion of current income to pay for the goods bought in the third year. This leaves them only thirty-eight billion of income to spend in the fourth year. Consequently, sales can equal those of the second and third years only if consumers buy three billion dollars' worth of goods on deferred payments. And so on. Each year there

must be an increase over the previous year, equal to the original increase, merely to sustain business at the level it reached by means of the original increase. In other words, instalment selling must grow from year to year at the following rate: 1, 2, 3, 4, 5, 6, etc. A given dose of instalment sales, like a given dose of any other stimulant, may be very exhilarating; but to get the same effect again and again, the dose must be larger and larger.

### Sales Must Increase Fast

IF INCREASES in total sales to consumers, year after year, are to be brought about by instalment sales, these sales must increase at an even more rapid rate than in the illustration we have just given. It is true that nobody knows exactly how fast such sales have been growing; but the principles we have just been discussing hold true, no matter what the rate may be.

The objection may be raised that we have been speaking of instalment sales as though they took place in one year and were paid in the next, whereas payments on each instalment contract are made at regular intervals over the entire period of the contract. Moreover, many of the contracts are for



are short enough, and nearly all deferred payments are collected according to schedule (which is actually the case with more than two billion dollars a year of automobile sales), it seems to some people as though the debts of each period could be cleaned up in the next period, and the expansion of this kind of credit business could go on indefinitely.

Couched in such general terms, the argument appears to be sound. Only when we study actual sales figures over a period of years, however, can we see where we are going.

Let us, then, assume, for the moment, that the annual income and savings of consumers taken as a whole remain the same, and that consumers spend forty billion dollars a year in cash payments for goods. Let us assume, further, that the increased purchases of goods





## *A Message to Executives from* THE PRESIDENT

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THE President is designed for executives who believe in owning a car in keeping with their conception of value—built to do justice to men identified with successful business achievement—and christened the President to symbolize the leadership of its owners!

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(Illustrated)

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shorter periods than one year. These facts, however, do not affect our conclusions. The essential point about instalment selling is that consumers acquire goods at one time which they contract to pay for at a subsequent time. That is, in fact, the only reason why an increase in such sales is a stimulus to business. Consequently, a part of the consumer income of any given period, whether a week or a month or a year, must be used to pay for goods which were bought in a previous period. Though we have called the period one year in our illustrations, the conclusions would be the same if we used any other period of time.

### Examples in Simpler Terms

**I**F THESE billions of dollars that are spent by millions of men are hard for you to visualize, you can prove the point just as well by drawing on your own limited experience. Let us suppose that in a given period of time, you can buy goods to the value of ten thousand dollars, and you can buy no more unless you increase your instalment purchases. Let us suppose, however, that an alluring offer of "dignified credit" leads you to buy an automobile, to be paid for "out of income, rather than out of capital." The deferred payments amount to \$1,000. For the period of time in question, therefore, your purchases are \$11,000. This is \$1,000 more than otherwise they would have been. You have done that much to increase the total sales of the country and to stimulate business.

In the next period of time, however, you must reduce your cash purchases to \$9,000 in order to pay \$1,000 on your car. Clearly, then, you cannot continue buying at the \$11,000 level, unless you mortgage \$2,000 of your future income. If you do so, the result will be that in the next period of time, you will have only \$8,000 to spend for goods. This means that you can sustain your rate of buying in that period only by committing yourself to \$3,000 of deferred payments. And so on.

At this rate, how long could your instalment buying help to keep business prosperous?

Now add to these budget figures those of all the other consumers who have boosted business by increasing their instalment buying, and you see at once the necessity of our previous conclusion. It is plain that consumers as a whole, having in one period lifted their buying to a higher level by increasing their debts on instalment purchases, cannot even maintain that level of buying in the next period without doubling their debts; in the next period trebling their debts; and so on.

### Arithmetic Proportions Enter

**I**T IS merely putting the same conclusion in other words to say that, if consumers improve business in one year by mortgaging their incomes, on the average, one month in advance, they can sustain business at that level the next year only by mortgaging their incomes two months in advance, the next year three months in advance, and so on.

There are differences of opinion as to how far into the future it is wise to carry this process; but no one who understands arithmetic will deceive himself with the idea that the possibilities are unlimited. The expansion of business by means of instalment selling, which has gone on so blithely for several years, is certain to come to an end. Unquestionably, for business as a whole, sales on instalments today are made partly at the expense of sales at some future date.

That is what we meant when we said at the beginning that instalment selling is helpful to business, for the time being, precisely because it is "overdone."

Here the question may arise whether we ourselves understand the arithmetic of this case. Have we not made a crucial error? In all our illustrations, we have assumed that the total income of consumers remains the same from year to year; whereas everybody knows that if business expands with the expansion of instalment sales, there may be an expansion of the money in circulation and of the income of consumers.

The retail sales of electric vacuum cleaners, for example, increased from about \$1,300,000 in 1914, to about \$69,000,000 in 1924; and it appears that about 65 per cent of these sales were on the instalment plan. This means that to date many million dollars, made available through expansion of bank credit, have been paid as wages to the workers who made those vacuum cleaners, which wages, but for the extension of instalment sales, would not have been paid at all. In this way, the income of consumers has, in fact, grown with the growth of instalment sales.

This expansion of money, it is often said, "automatically provides consumers with enough money to buy the expanded output." If that were true, the improvement of business which is brought about by the stimulus of a given increase in instalment selling might be permanent. But it is not true. A moment's thought will show that the financing of instalment sales does not put into consumers' hands enough money to buy the goods in question; for additions to the volume of money, which are made in connection with financing the production and sale of a given volume of goods, are seldom large enough to cover the retail price of those goods.

### More Money Must Come In

**T**HAT is necessarily so. Every individual piece of financing, whether to assist instalment business or any other business, proceeds on the assumption that more money is to be received from consumers eventually for a given volume of goods than the banks advance in connection with these goods. If these expectations are not largely realized, a recession of business follows.

As a matter of fact, no producer pays out as costs, as much as he expects people to pay for the product—as much as they must pay if he is long to continue in business. In other words, he does not borrow and pay out in connection with a given expansion of output, as much money as consumers must pay for the output, if he is to make a profit. Consequently, the increased wages and other payments—that is to say, the total costs which are paid as a result of increased sales on instalments—are insufficient to enable people to buy the increased output. Thus it is clear that sales on instalments do not "automatically" enable people to pay for the goods in question. The goods increase faster than the income. The gap between the two widens. The "automatic" feature of the process is its culmination in a recession of business.

All that is true whether we regard the goods which are sold on instalments as "luxuries" or "necessities." It is usually contended that the increase of sales of necessities on the instalment plan is financially sound and advantageous to society, but that this is not true of sales of luxuries.

There is, however, no classification of commodities as luxuries and necessities which

justifies this opinion. In 1920 some of the banks intimated that automobiles were luxuries, and it might be well, therefore, to curtail the expansion of bank credit to facilitate the production and sales of automobiles. This was necessarily nothing but an opinion of the banks. The people of the country promptly showed, by purchasing more cars than ever before, that they were not interested in the banks' opinion. Since that time, they have increased their purchases of automobiles more rapidly than their purchases of anything else.

In any event, the effect on general business of expanding sales by means of increasing consumer debts will be much the same whether the goods are of one class or of another. An additional billion dollars of wages is an additional billion dollars of consumer purchasing power, whether the wages are paid to produce cars, or cattle, or anything else. And a slump of a billion dollars in wages paid in the automobile industry would be as bad for business in general as a like slump in the income of farmers.

We conclude, then, that those who favor instalment selling are right in holding that production should not be curtailed and workers thrown out of employment, and standards of living thereby lowered, for the sole reason that the people do not have enough income to buy the increased output of prosperous business.

Instalment selling cannot, however, permanently increase prosperity. The chief error of those who hold that it can, lurks in their assumption that if consumers go into debt three billion dollars in order to acquire certain commodities, industry will necessarily pay them an additional three billion dollars as wages, dividends, and the rest, wherewith the debts can be paid. The process is supposed to be self-sustaining—automatically so. It is not. The financing of increased production, as we have shown, does not "automatically" induce a flow of money into consumers' pockets which is equal to the flow of goods into consumers' markets. Hence the stimulus to business of a given gain in production, brought about by a given gain in instalment sales, is not lasting. Larger and larger doses of the stimulant must be injected merely to prevent a relapse.

### The Circuit Flow of Money

**I**F THIS were not so, business would not have been obliged, in the first place, to resort to increased instalment selling, merely to distribute its current output at current prices. The circuit flow of money by means of which instalment selling is supposed to maintain adequate consumer demand would have maintained adequate consumer demand, without resort to instalment selling. Each addition to supply would have created its own demand. For example, the very increase in bank credit which enabled industry to turn out a million more cars would have given people enough additional income to buy the cars.

Those who favor instalment selling are right, therefore, in holding that something must be done, more than we have done in the past, to enable the people, as consumers, to acquire and enjoy whatever they succeed, as producers, in getting ready to be enjoyed. To our exceedingly efficient system for financing production, we must somehow add an equally efficient system for financing consumption. Whatever the evils of partial payment selling may be, it is better for us to acquire goods on partial payments than not to acquire goods at all, simply because we have not been permitted to make them.

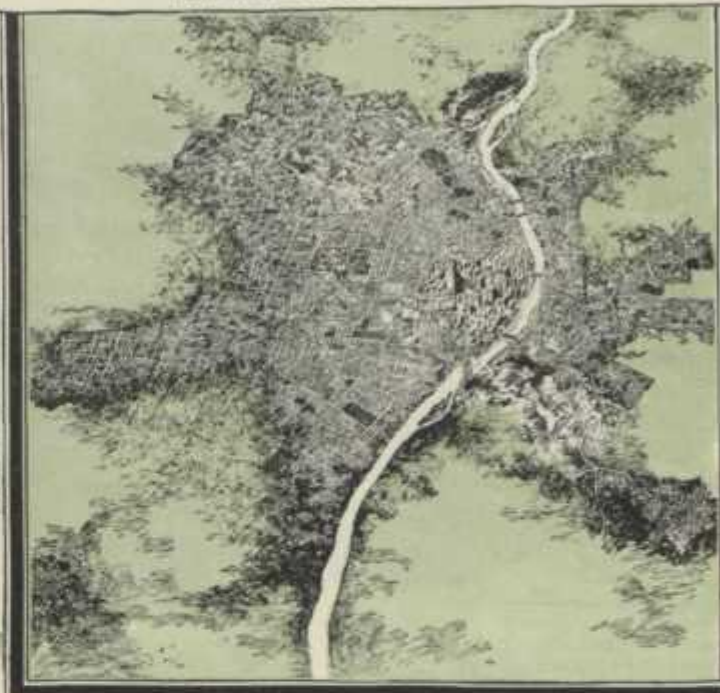


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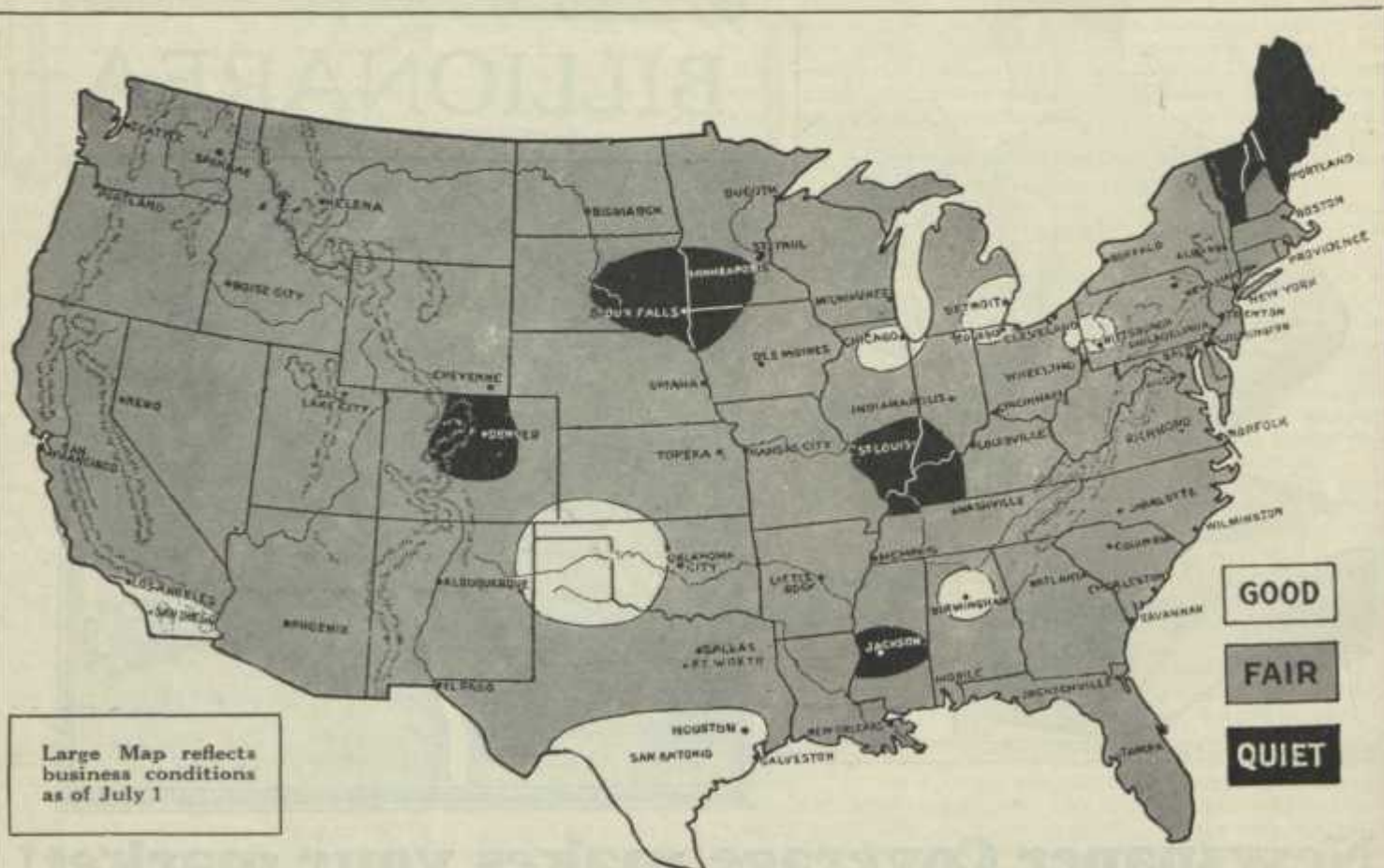
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# The Map of the Nation's Business



The Business Map of Last Month



The Map of a Year Ago



By FRANK GREENE

Managing Editor, "Bradstreet's"

WHILE trade, industry, collections and crops do not all say exactly the same thing, there is little room for doubt that a turn for the better occurred in May and June.

Belated spring buying was visible in May and grew stronger in June. Wholesalers and jobbers in apparel lines largely occupied in disposing of unsold goods, let go these in many cases, but especially in dry goods, at heavy reductions and the rally in these lines was hardly impressive.

Even collections improved somewhat while crops made about the best showing in the way of comeback from the rather

poor earlier condition, which in early June, was placed at 3 per cent below the average.

The gains in industry were moderate and not uniform, the constructive lines, for instance, showing better than those manufacturing apparel, but the rally though moderate was encouraging since it indicated that buying was merely belated and not actually absent as apparently earlier feared.

That a good deal of spring trade was actually lost at retail, however, seems certain. That a good deal of the complaint noted from small retailers and jobbers selling to them, was due to changes in the channels of trade distribution, seems evident from the

relatively better reports received from mail order, chain store and department stores than from the smaller dealers. Even among the department stores, however, decreases equalled gains in number.

In manufacturing lines catering to the apparel dealers, the improvement seems to have been really trifling.

Earlier agreed upon curtailment in cotton manufacturing progressed further, both north and south, and while uncertainty as to raw material prices made for additional quiet, the main trouble apparently visible in nearly all lines of cottons was the continuance of the smaller than old time normal



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yardage due to changes in styles and fashions. Woolen and silk goods also feel this somewhat and the heavy reductions in prices of rayon (artificial silk), which has entered into cotton and woolen through mixtures, had some elements unfavorable to real silk goods, overproduction of which was noted in the earlier months.

In the constructive trades, steel buying seemed to lead all others in confidence and a slight hardening of values in this line contrasted with rather notable weakness in pig iron. Production of both of these products was at the peak point since the war. Building materials were a close second to steel products where building was active, as for instance at New York, Chicago, and other large cities. New building permitted for staged a belated rally in June and an immense activity in cement later in the season than normal, seemed to indicate that the cold backward spring had more than the earlier anticipated effect on all construction trades.

#### Lumber Shows Gain

IN THE lumber trade continued heavy gains over last year's output were scored and it was reiterated that a good deal of lumber was going into suburban and rural construction, not registering in official building permits.

In the middle ground between the apparel and construction trades, in furniture, floor coverings and kindred lines the trend was rather quiet pending the holding of the expositions by manufacturers in July, but Grand Rapids reported a big assemblage at the exposition early in that month which was construed to mean that better business was likely to be seen.

The automobile trade, that wonder of the present century, surpassed sanguine expectations in the matter of output in the months of March, April and May, but late June saw a tapering off as the inventory season approached and one large center reported more idleness than a year ago as this seasonal mid-year quiet became pronounced.

The effort to get higher prices for tires on the basis of the higher cost of rubber does not seem to have been altogether successful judging from the fact that cuts in early June were said to have brought prices back to the levels of last summer and fall before the first of the three advances was recorded.

All in all the general situation may be judged as cheerful, more optimistic in fact than was hoped a while ago, although the uncertainties lying ahead of the business

world are numerous enough to make for a continuance of the cautious buying which has generally ruled. The reaction this year did not travel as fast nor as far as one or two years ago nor did the evidences of the more cheerful feeling arrive as quickly as a year ago, certainly there was nothing to

It is this feeling apparently which rules the reports from most centers that trade on the whole has been only about fair and which makes for conservatism as to the future prediction. This in the face of a majority of statistical measures showing gains over a year ago as far as current and past business is concerned.

Two notable uncertainties face the business world as mid-July approaches; crops and prices.

As to crops, the winter wheat yield has turned out almost as well as the earlier predictions in Kansas, Oklahoma and Texas and the southwest has certainly made a big crop, more than doubling last year's totals and accounting for most of the 150,000,000 bushels increase in winter wheat now apparently certain over 1925.

#### Spring Wheat Slow

SPRING wheat does not promise as well and dry weather may reduce the total of the country's yield so as to allow of only about 100,000,000 bushels more of a total crop than a year ago.

The fruit crops have been and will be better than last year, and a cheap sugar supply should help preservers of these products. Corn is late but looking better. A bumper yield is not probable here or in oats or potatoes.

Europe is buying wheat freely and flour milling in the southwest, aided by high protein content of wheat, is said to be the most active since the war.

Cotton surprised the trade by showing an actual gain in planting after a next to record 1925 crop and despite a 25 per cent decline in price over the year. At the low of 18 cents as against 24 cents a year ago, a rally developed on reports of widespread infestation by weevils and other pests which might conceivably turn the June 25 prospect of a 15,600,000 bale crop into a smaller outturn. A good balance of old crop cotton on hand precludes any scarcity and may aid in producing a burdensome surplus al-

though the 6 cents decline from a year ago may have already discounted this.

The crop situation naturally impinges on the question of future prices and this latter is a subject of much speculation just now. Price levels in 1925 turned up in May after the four months' spring decline, but this year prices eased off a shade in June making the seventh successive month of declines.

Reasons for this decline were largely centered on the better crop reports and consequent lower prices for most farm products, especially live stock, cotton and tobacco.

### BUSINESS INDICATORS

First 6 Months 1926, or Latest 6 Months Compared with Corresponding Period in Earlier Years  
1923=100%

Production	1926	1925	1924
Pig Iron.....	95	91	84
Steel Ingots.....	107	100	90
Copper (Mine Output, U. S.).....	126	125	115
Zinc.....	118	108	102
Coal (Bituminous).....	96	84	83
Petroleum.....	108	109	107
Electrical Energy.....	129	116	107
Cotton Consumption.....	98	96	83
Automobile Production.....	123	103	110
Rubber Tires.....	116	114	94
Cement—Portland.....	111	115	107
Construction			
Contracts Awarded (36 States) Dollars.....	142	126	110
Contracts Awarded (36 States) Sq. Ft.....	118	111	106
Labor			
Factory Employment (U. S.).....	93	92	96
Factory Payroll (U. S.).....	101	97	101
Wages—Per Capita—N. Y.....	108	105	104
Cost of Living.....	107	104	103
Transportation			
Operating Revenues.....	99	96	97
Net Operating Income.....	117	105	98
Freight Car Loadings.....	104	101	97
Net Ton Miles.....	102	96	95
Trade—Domestic			
Mail Order House Sales.....	130	117	106
Department Store Sales.....	113	107	105
Wholesale Trade.....	102	101	99
Chain Stores.....	142	128	115
Trade—Foreign			
Exports.....	119	127	113
Imports.....	115	101	90
Finance			
Debits—N. Y. City.....	137	122	101
Debits—Outside.....	117	110	98
Failures—Number.....	118	117	111
Failures—Liabilities.....	81	92	117
Stock Prices—20 Industrials.....	150	124	95
Stock Prices—20 Railroads.....	127	114	96
Shares Traded In.....	171	156	88
Bond Prices—40 Bonds.....	109	106	101
Bond Sales.....	167	118	115
New Securities Issued.....	102	93	70
Interest Rates—4-6 mos. Commercial Paper.....	84	78	91
Wholesale Prices			
U. S. B. of L. S.....	98	101	96
Bradstreet's.....	96	101	93
Dun's.....	101	104	99
Fisher's.....	95	98	91

Prepared for NATION'S BUSINESS by Statistical Department, Western Electric Company, Inc.

equal the quick recovery witnessed in 1924 when good wheat crops here found good markets in Europe.

#### Stock Flurry Brings Hope

THERE is on the other hand a fairly full recognition of the fact that the steadying up and the later renewed advance in the stock market served to revive confidence in a favorable ultimate outcome although there is a very general complaint that competition has been keen, that prices have suffered and that profits have been scaled down to or below the minimum.





*Economist Range, with Bakelite protected reservoir cover, made by Southern Signal Co., Louisville, Ky.*

## Bakelite Enamel

*unharmful by heat and steam*

Because it is constantly exposed to heat and steam the cover of a kitchen range reservoir provides a severe test for any finish. Various paints, lacquers and enamels were tried on the reservoir cover of the Economist Range, but heat and steam soon destroyed them, permitting the cover to rust, flake and contaminate the water.

The makers of the range then tried coating the covers with black Bakelite Enamel and this proved a complete success. The Bakelite Enamel withstood the destructive action of heat and steam, eliminated all trouble from rust, and has been adopted as the standard finish.

Manufacturers of equipment requiring a finish which is impervious to moisture, steam and oil—that will resist fumes and is chemically inert, will find our engineers and laboratories ready to cooperate with them in the solution of their problems.

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# What Financial Europe Talks Of

By MERRYLE STANLEY RUKEYSER

Rome, June 14, 1926.

**W**HILE waiting in an antechamber of a bureau chief of the Minister of Finance in the Louvre Palace, Paris, I decided to fill my fountain pen. I dipped my pen into a deep set official inkwell, with a broad black base and a white top. I soon discovered that it contained only red ink. Perhaps the incident was symbolic of distressed France, which at great pain snatched a victory in the Great War only to find itself with a series of red ink overdrafts on its Treasury in every post-bellum year.

France is at a critical stage—financially. She is turning a corner. All the experts agree to that. They differ as to whether she is going.

If France can stabilize the franc somewhere in the vicinity of 30 to the dollar, it will close the calendar year 1926 with its budget balanced. An equilibrium between revenues and expenses this year would assure Treasury surpluses in the near future, and would enable the Treasury to return toward unquestioned solvency by amortizing the huge national debt.

Unfortunately, even approximate stabilization is by no means assured for the immediate future, although the French Cabinet recognizes the urgency of the situation and is developing a program in this direction. The defense of the franc has become the outstanding issue in the Republic; the great battles of the present are economic, not militaristic.

Stabilization would restore ebbing confidence, and a rise of confidence would bring stabilization.

The methods of inflation, which France has pursued for a decade, entail the familiar delusion of arguing in a circle. The outstanding problem is how to extricate the Republic from the menacing spiral staircase built of excessive issues of paper money and short-term Treasury notes.

In the late spring and early summer, France was proceeding in the direction that Germany and Austria went before their old currencies plunged into worthlessness.

Even the good friends of France are tempted to ask, "Will the franc go the way of the mark and the crown?"

The French unit of currency is now quoted at the bankruptcy rate of about fifteen cents on the dollar.

The nationals are themselves losing faith in their own currencies. In recent months, the flight from the franc has recalled similar retreats in earlier years from the mark and the crown.

The flight from the franc has assumed alarming proportions, and has been accomplished in two ways—one legal, the other illicit.

Some wealthy capitalists, I am credibly informed, have transferred funds to foreign countries, contrary to the law.

On the other hand, French peasants have legally transferred currency and Treasury notes into hogs, cattle, horses, land, buildings, and other tangible forms of wealth.

**E**LSEWHERE in this issue Professor Boyle of Cornell discusses the fall of the franc from the point of view of an American economist.

Here are the impressions left upon a trained observer and reporter of American financial affairs of the effects of the plight of French currency on French finance and industry.

—The Editor

This phase of inflation tends artificially to stimulate business. If long continued, the people will become glutted with things, and retire from the market for a considerable period later after inflation has been curbed. When Germany got a stable currency in the new Rentenmark, it paid the price for a time in depressed trade, as the people began to use up accumulated supplies.

In a commercial sense, the great evil of inflation is that it artificially changes the tempo of commerce. People buy not as they need things for consumption in a healthy manner, but in a speculative frenzy in the belief that a receding currency will buy more today than next week.

The multiplied exchange of merchandise for currency is less immediately distressing to the Treasury than the fact that, particularly in the rural sections, Treasury notes are being exchanged for tangible property. That means that at the optional maturity dates such obligations will be offered for redemption, instead of renewed. As long as individual French investors would keep indefinitely renewing Treasury obligations, the government could readily keep the ball of inflation rolling. The growing demand for redemption, however, requires either increased issues of bank notes—printing press finance—or an increase in revenues from taxation or further economies in national and governmental expenditures.

The great slump in the franc in May was a reflex of heavy maturities of government obligations.

Unquestionably, French investors are resisting attempts to continue to finance the government through interminable borrowing. The ebbing confidence on the part of rent-buyers is the measure of France's current financial difficulties.

How to restore confidence is the major task of French financial statesmanship.

My own feeling is that the way to restore confidence is to deserve confidence through putting the financial house in order.

Some French observers, however, believe that an external loan will supply the electric spark, which will bring a renaissance of faith. I think that perhaps a loan is necessary, but that it must follow rather than precede the adoption of a sound financial program.

France's difficulties have been in part political. The French form of government encourages numerous ministerial changes. No Prime Minister, or Minister of Finance is assured tenure of office over a period of

years. Genuine economic readjustment, however, cannot be accomplished overnight to the tune of compromises designed to keep majorities.

Secretary Mellon, on the other hand, was able to set out upon a broadly visioned program back in 1921 with the assurance that he would have at least four years in which to work it out.

In the past, French Ministers of Finance have been tempted to follow the easiest way—to keep the processes going through fresh inflation, rather than risk political unpopularity by introducing harsher methods of liquidating the burdens of the war. There was, perhaps, something of the "After Us, the Deluge" attitude in their handiwork. The result has been expressed in the depreciation of the franc in foreign capitals.

France and Great Britain have pursued diametrically opposite methods.

Great Britain has sacrificed short-term commercial interests in order to right its currency.

France, on the other hand, has permitted its currency to slide and has in the meantime enjoyed greater superficial prosperity.

With the Treasury and the bankers in the saddle, Great Britain has continued the world-wide prestige of the pound sterling at the cost of current unemployment and doles.

France, meantime, has kept its population employed, has expanded its currency, but has permitted its standard of value and medium of exchange to go away.

France has yet to make the fight for stability, which Great Britain has already achieved.

England is further on the highway to economic normalcy than France, which eventually will have to pay the piper.

Of course, France will not attempt to restore its currency to pre-war parity, as England did. It will, however, attempt either to stabilize the present currency around current levels or to get a new and stable unit.

M. Peret, Minister of Finance and his associates, are thinking earnestly along these lines. Besides reforms in public finances, there is a disposition to urge individual Frenchmen to economize and particularly to reduce imports which create a demand for foreign exchange and help further to depress the franc.

From the long-term standpoint, the interesting question is whether the franc will be saved or whether it will go to pieces like the mark, the crown, and the ruble.

To expect the franc to go the way of the worthless currencies of other countries is to enter the pitfalls of delusive analogy.

The French problem is different from that of the other currencies, where inflation wrought complete currency destruction.

Both French Treasury officials and bankers feel assured that the franc can and will be saved.

Competent foreign observers resident in Paris lean toward the opinion that the current inflation could be checked at any time if the will to do so existed.

The will toward solvency is strong in



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## Giving them what they want

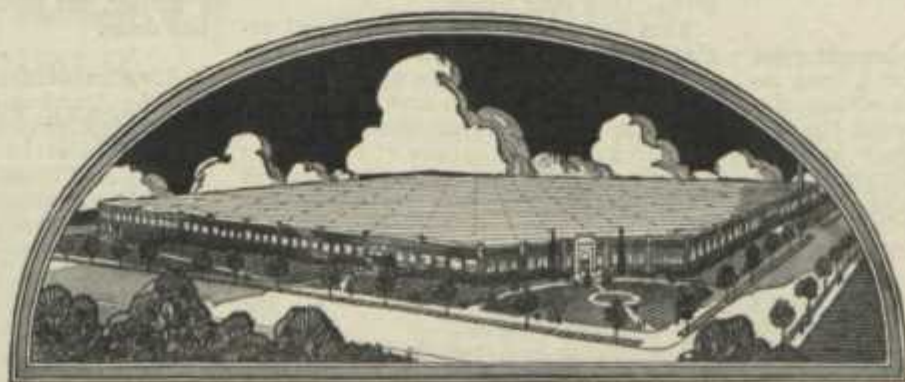
We have been talking with a good many radio retailers, and what they want boils down to this:

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*A. Atwater Kent, President*



France and seems to have grown in recent weeks.

Different social conditions exist in France and in Germany. In the latter country, the proletariat was indifferent toward the fate of the mark.

In France, however, the fortunes of the average Frenchmen are interwoven with the course of the franc. French Treasury agents tell me that the petit bourgeois would not tolerate the abandonment of the franc, which would render their rente holdings worthless. The French peasant and workingman have long been thrifty investors, and their strong boxes contain franc obligations which are valuable only as long as the franc has a definite worth. Needless to say, the depreciation of the franc has already effected large transfers of wealth from the hands of creditors to debtors, and the present indisposition to buy new franc obligations springs from the fear that the franc may recede further. With the franc stabilized, the age-long impulse to invest would undoubtedly return and enable the government to perform the essential task of funding its harassing floating debt into long-term obligations.

The effacement of the exchange value of the franc would mean that the great masses of rente holders would be wiped out. Rather than permit such a contingency, French financiers assert, the populace would rise up and demand that the government stop spending.

The inflation, of course, has brought great hardships to those working for a fixed income. Salaries of government officials, for example, are inflexible, and many in the civil service are suffering. The lower house of Parliament, to its credit, recently voted down a measure to increase the salaries of its own members on the ground that it was more urgent to solve the national problem than to relieve individuals.

In private business, salary adjustments are much swifter. One youth recently took a difficult examination for a post in the French Finance Department. He flunked ignominiously, and his application for the 15,000 franc per annum job was rejected. However, he immediately got a place outside for 30,000 francs a year.

Economically, France appears to be well off. The return of the lost provinces gave the essential reserves of coal and iron.

France is traditionally a low-price country. At present, it is estimated that wholesale

prices are only 80 per cent of American wholesale quotations. After stabilization, the price levels of the two countries will undoubtedly be closer together. The present disparity is causing exceptionally heavy foreign buying of French merchandise. The official export statistics tell only part of the story, for much material is taken away by tourists who do not make declarations. French Treasury officials believe that the aggregate of such items is large, though, of course, they have no precise data on this subject of somewhat ticklish aspect.



The Bourse, Paris. With a stabilized franc, the age-long impulse to invest would undoubtedly return and enable the government to perform the essential task of funding its harassing floating debt into long-term obligations.

Tourism is an extremely important factor toward helping France put its financial structure aright.

It creates a huge demand for francs even during a falling foreign exchange market.

In this connection, it should be remembered that neither Germany nor Austria nor Russia had this safety valve during the great inflation in those countries.

Tourist agencies assert that the temporary migration of Americans this summer is greater than ever before.

Thus France imports gold dollars and exchanges for them sensations and culture which are taken away by the sightseers without impairing the French sources of supply.

Tourist expenditures constitute a colossal invisible item in the balance of trade. "Le Matin" estimates that foreign tourists will spend fifteen billion francs this year in sampling French wines, in the night clubs, at the revues, for accommodations at the hotels, including the ubiquitous "pourboire," and for fees at the great national art galleries and museums.

The value to France of the huge "luxury" expenditures is less in the amount than in the fact that it creates foreign exchange, absorbing huge quantities of franc bills which clamor for alien bidders.

The French are gradually reaching the conclusion that they will have to emerge from their financial difficulties through their own energy and enterprise. The expected proceeds from Germany under the Dawes Plan will, to a large extent, be offset by

French payments to liquidate the debts to the American and British treasuries. Thus, France regretfully feels that, contrary to the letter of the original Versailles Treaty, it will have itself to bear most of the cost of reconstruction of the devastated areas and of pensions to the war maimed.

If real statesmanship triumphs in France, the next step will be stabilization of the currency in fact, rather than formally in law.

Officially to peg the currency at an arbitrary figure is expensive and difficult.

It is much more likely that as a first step the government, without formally committing itself, will undertake to keep fluctuations in French exchange within definite boundary posts.

Real students recognize that stabilization should be a result of proper fiscal measures, rather than a cause.

Before real stabilization can be attained, France must find the key to the solution of these problems.

First, the problem of keeping a favorable balance in visible and invisible foreign trade.

Secondly, the problem of eliminating deficits from the budget.

Thirdly, the problem of keeping up the public appetite for Treasury obligations and eventually funding the floating debt and reducing the total volume of debt through scientific amortization.

Fourthly, definitely taking care of the payment of eighteen billion francs of expenditures for reconstructing the devastated areas.

Fifthly, the problem of settling inter-Ally debts.

Adoption of the Berenger agreement to pay the American debt would mark a step in the right direction. Though the project is criticized at home as too lenient, many on this side deem it unduly harsh. Until the debt agreements are consummated, the prospects for financing abroad seem slim.

I have visited some of the principal Italian cities. Law and order are flaunted at the foreign observer in Italy. Unquestionably, the Fascist régime has done much in the way of eliminating post-war chaos and in setting in motion the machinery of normal trade and industry.

I visited an antique shop in Rome at 1 o'clock this afternoon. The store was being closed as the employees were preparing to leave for their mid-day meal and rest. The store was to reopen at four.

The American relaxes during his vacation once a year; the Latin relaxes daily.



Nine Pierce-Arrow busses running between Maplewood, South Orange, Orange, East Orange, Newark and New York comprise this fleet. Each bus does 120 miles per day.



## This bus organization wanted success from the start

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Best of all, these busses are establishing gratifying operating economies. Requiring scarcely any mechanical attention other than fueling and lubricating, they are paying satisfactory profits per passenger mile—and, long after less substantially constructed busses shall have been discarded, these Pierce-Arrow busses will still be earning income for their owners.

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# Congress—The Next Session

By WILLARD M. KIPLINGER

**M**ANY things are being said of the first session of the Sixty-ninth Congress, which closed July 3. It is called a "Do Nothing Congress," an "Extravagant Congress," a "Big Business Congress," and other epithets. These characterizations are not fair from the standpoint of an attempt to judge Congress broadly, on the basis of its entire work.

Considering all issues, considering the political conditions under which members of this Congress were elected, the principal conclusion is that Congress has been remarkably responsive to the will of the varied classes of peoples to whom its members are responsible. On practically every major piece of legislation, either enacted, or postponed, or rejected, the action has represented the preponderance of opinion, one way or another, of the various groups, organized or unorganized, interested in that legislation. This still leaves room for criticism, but the criticism will be more constructive if leveled against those bodies of thought outside Congress responsible for the thought within Congress.

It will save misapprehension to recognize that Congress does not lead in settling questions of public, political and economic policy. It follows. It enacts few laws for which there has not been a long period of popular agitation and on which there is not a large measure of unanimity. It kills or postpones proposals which have not yet achieved this degree of support of organized thought. Legislation is literally made outside the halls of Congress by organized groups of thinkers and propagandists, mainly with economic motives, and the deliberative processes within Congress constitute a sort of formal ratification. Whether this is good or bad is another question. The object of this comment is to point out a situation which, when not recognized, misleads many interests into thinking they can jam a proposal through Congress without first preparing popular thought throughout the nation.

Take the equalization fee plan for agricultural relief, for example. The West was for it, the East was against it. The East has more votes in Congress than the West and the plan went down to defeat because public opinion in the East had not been convinced.

Take the substitute Fess-Tincher plan for government amortization loans to cooperatives. The administration made an eleventh-hour push for it, but public opinion had not been organized and it was defeated more decisively than the equalization fee.

Take the McFadden branch banking bill, whose passage had been generally expected. Groups interested in it were split up many ways, there was too little unanimity outside of Congress, and the result was a final deadlock within Congress.

Take tax reduction. Everyone had been worked up to want it, and Congress ratified. There were disputes over how and where the cuts should be made, but as the fight progressed there developed in the public mind a degree of qualified unanimity, and there has been very little criticism of the results.

Consider the railroad labor bill. It passed only after railroad unions and railroad managements reached substantial agreement.

With the foreign debt settlements, the great body of public opinion favored ratification, and they were ratified.

It is not so easy to draw clear conclusions on the approval of the World Court Treaty; public opinion was sharply divided, but election pledges, administration pressure, and past policies of the Democratic Party combined to put it through.

The first session of Congress is notable for the large amount of committee deliberation on important bills, for the postponement of final action on many of these until the second session, and for the small number of major issues actually settled. The committee work is not shown in the final score of laws enacted, but it is constructive, for it keys in with the process of the manufacture of public opinion, mentioned above, and this process is inevitably more important than the spectacular last stages in floor debate.

The development of greatest political and economic significance in the session was the opening of a breach between the East and the West in the Republican Party over agricultural legislation. In a few years it will appear a history-making event, for it is a prelude to the approaching storm over tariff reduction.

Six jobs stand out as the major finished accomplishments of the first session.

These were reduced by an estimated amount of \$319,000,000 for the coming fiscal year, and there is similarity between the final action on various schedules and the recommendations contained in the original "Mellon plan" of two years ago, which was overthrown then in a spirit of resentment against "Treasury dictation." The amount of reduction is very little in excess of the Treasury's ideas of safety, and there is no interference with the Treasury's program of paying off the public debt from year to year. These points suggest the existence of a new order of cooperation between the executive and legislative branches of the Government on fiscal policies.

## World Court

This was ratified with reservations which may or may not be acceptable to other member nations of the Court.

Settlement with Italy was ratified after oratorical battles, and settlements with Belgium, Rumania, Esthonia, Latvia and Czechoslovakia were made without great difficulty. The proposed French and Jugoslavian settlements were postponed. No settlement agreements have been reached with a few minor debtors.

## Foreign Debts

Barely in time to take care of big new wage demands this summer from railroad employees, the first in four years; Congress set up new mediation and conciliation machinery to replace the old Railroad Labor Board. The public is asking, rather pointedly, whether the new system will enable unions and managements to raise wages too freely and pass the burden on to rates.

## Railroad Labor

With the foreign debt settlements, the great body of public opinion favored ratification, and they were ratified.

Congress directed the setting up in the Department of Commerce of a bureau to regulate and encourage civil aviation, a small thing in itself, but a step

**Aviation** expected to lead to tremendous expansion in commercial air traffic. The aviation programs of the Army and Navy also were strengthened greatly.

The important thing about appropriations is that they followed closely the budget plans without much dispute. The budget is working. At the same

**Appropriations** time it should be noted that there was a tremendous, though generally unsuccessful, push at this session for very large appropriations outside the budget, and it seems inevitable that Federal Government expenditures will rise steadily in future years.

Some final enactments of somewhat secondary importance are as follows:

A new division was created in the Department of Agriculture to help agricultural cooperative marketing associations by research, by advice on organization, management and expansion, and by other services. This is the only important agricultural legislation enacted. There was no controversy about it.

Federal aid for road building to the extent of \$75,000,000 a year, and \$7,500,000 a year for forest roads and trails, covering the next three years was authorized, thereby continuing the present program, and eliminating the annual uncertainty over discontinuance.

The nation is to have \$100,000,000 worth of new post offices and other public buildings, and \$50,000,000 of new government buildings in Washington, in the next three years. Allowance also was made for government purchase of its embassies and legations abroad.

**Buildings** The bankruptcy system was reformed in many salutary ways.

**Bankruptcy** Arrangements were made for publication of newly codified federal laws.

**Codified Laws** Pensions were increased for veterans of the Spanish, Civil and Mexican Wars, but the President warned of the tendency to increase fixed expenditures of the Government. There was also a liberalization of the rehabilitation treatment of World War veterans, and an extension of time for reinstatement in war risk insurance.

**Veterans** Government charges to settlers on irrigated regions were pared down.

**Reclamation** A number of minor treaties were ratified.

**Treaties** The present law was liberalized in the final hour of the session to enable civil employees



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The President finally puts his initials to the proof. Not because the ad is fair, or pretty good. He approves it because he thinks it is the best he can possibly get.

Then (like as not) he calls in his secretary and dictates a memorandum to the purchasing agent to the effect that the Company is spending too much money on its letterheads.

Many executives, solicitous about their advertising, fail to recognize an advertisement when the label is left off. Letter paper is advertising without the label. So is a bronze door. So is the President's big polished desk of Circassian walnut. All are ads.

Take your stationery out of the class of office expense. Ask your printer to show sample sheets and envelopes of Crane's Bond—a fine business paper which has the look and feel of value, the atmosphere of quality, the strength and permanency which any business would like to put into its letters.

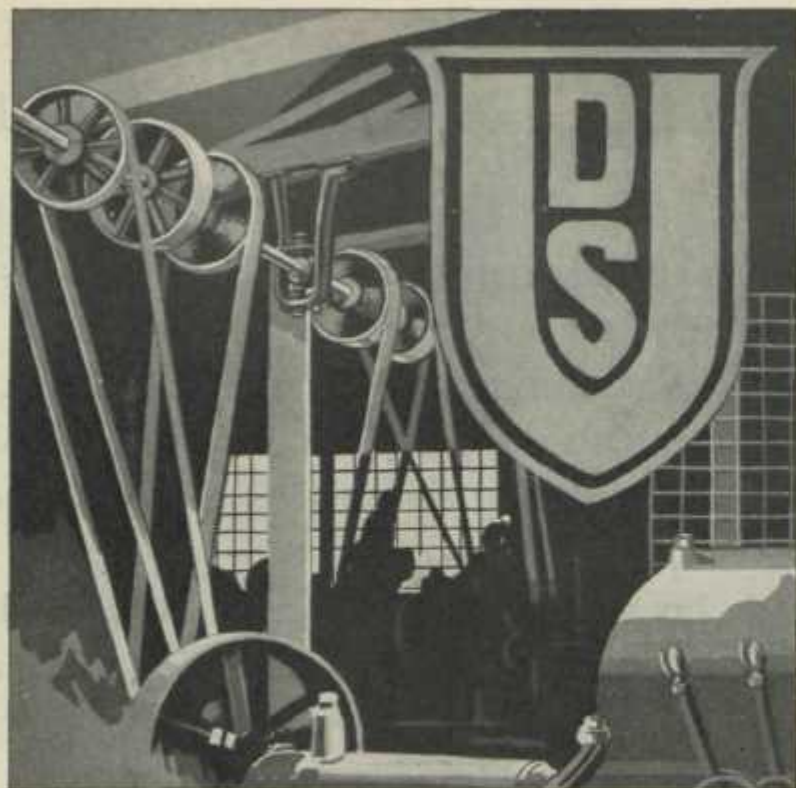


AN INTERESTING BIT OF HISTORY: The word "bond" as applied to paper originally meant only Crane's. The engraver spoke of Crane's bond paper, meaning the paper which was used for engraving securities. Almost all bonds now are engraved on Crane's Bond, and it is still the true bond paper, though custom applies the term loosely to any paper used for business stationery.

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of the Government to retire in old age with a maximum annuity of \$1,000 a year, instead of the former \$720; their annual contributions were raised from 2½ to 3½ per cent of their salaries. They wanted more, but the administration held them down as a matter of government economy.

The principal measures killed by votes on the floors were the Gooding long-and-short-haul railroad bill, and the two measures of agricultural relief, the McNary-Haugen equalization fee plan and the Fess-Tincher plan for government loans to cooperatives.

The leading proposals held in suspense in conference when the session closed were the McFadden branch banking bill, fixing the status of future branch bank extension and providing for rechartering of Federal Reserve Banks as of 1935, on which bill a tight deadlock developed over the Hull branch banking amendments; and the radio bill, over which the disputed question was whether regulation should be under the Department of Commerce or a separate commission.

The main committee investigations, exclusive of hearings on bills, were of the Tariff Commission, political campaign expenditures, foreign government-controlled monopolies, and the aluminum industry.

During the session, 17,800 bills were introduced—13,251 in the House, 4,549 in the Senate—which breaks the record of the session two years ago when 13,294 separate bills were proposed. Running debate on the floors of the two houses and speeches printed but not delivered used 13,000 pages of the *Congressional Record*. Two years ago, at a comparable session, the *Record* ran a little under 12,000 pages.

The next session will be short, December 6, 1926, to March 4, 1927, 11 weeks for work, with the same members and the same bills in the same positions. I

**Next Session** do not think the President will call a special session for November, to get an early start. It is politically too dangerous—"the more time, the more hazing." Neither do I believe there will be a special session after March 4. *It will be physically impossible to put through many of the important bills whose enactment is fully expected by their advocates.* Appropriations will consume most of the available time and energy.

Present opinions of myself and collaborators on prospects for passage at the next session of three leading measures are set down herewith. Explanations of these and other opinions will be given in future articles.

Equalization fee, probably no, although it should be remembered that this has gained ground steadily in the last three years.

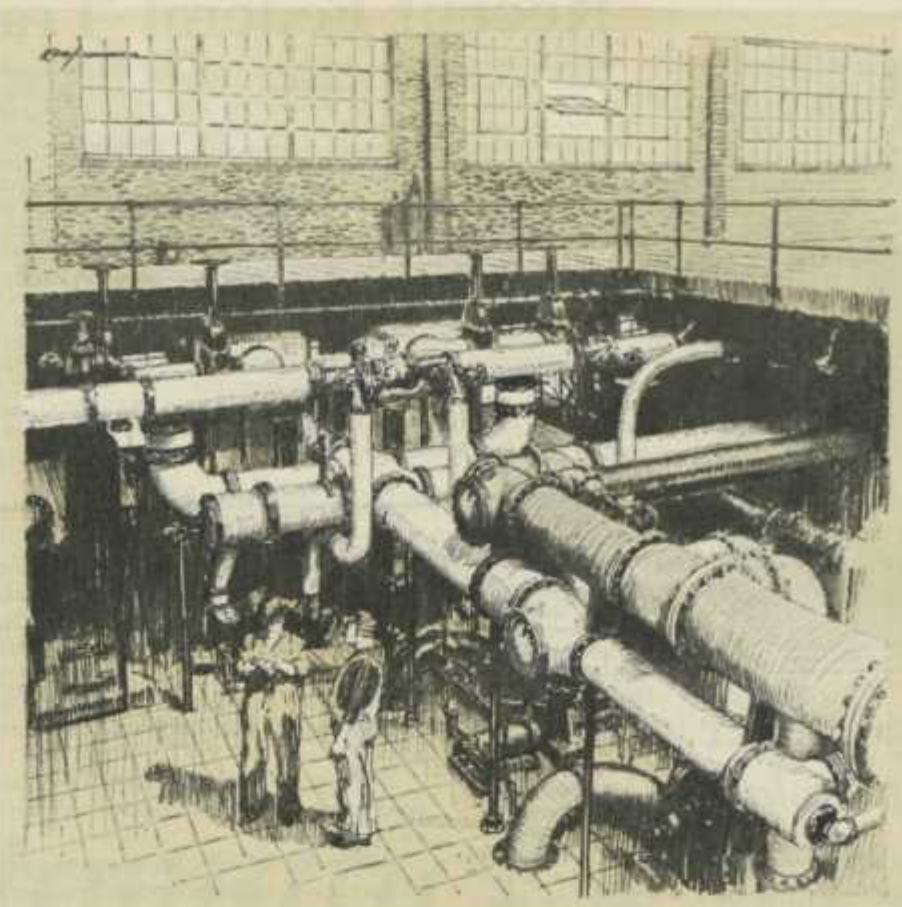
**Agriculture** Fess-Tincher plan, no. Some compromise plan, based on helping cooperatives with credit through existing government machinery, possibly; all depends on developments outside of Congress in the next six months.

**Tariff Reduction** A determined drive for it, but action will be blocked; expect it in 1928.

**Prohibition** Nothing.



## ... CRANE VALVES ...



A piping view, taken during construction, in the pump room of the Trumbull Cliffs Furnace Co., producers of pig iron, Warren, Ohio. Freyn Engineering Co., Chicago, were the engineers and architects. B. Floersheim & Co., Pittsburgh, piping contractors. Crane materials used exclusively.

## Wherever power is used, you'll find Crane

A BRILLIANT glow illumines the dark sky as a spurting flame crowns the blast furnace. The roaring whistle of the heavy blast shrills above the dull rumble of the churning metal inside the monster. At its feet, straining men break through the clay plug. There is a shout, a rush of liquid fire; and a dazzling red and yellow light fiercely fills the cast house, as from the tap the molten metal flows swiftly into "pigs."

What a contrast between the efforts of primitive man as artificer in iron and today's blast-furnace production! But no greater than the difference between the old equipment and the new which is back

of the modern method. That Crane valves, fittings, and piping more than meet the present exacting demands is evidenced by their widespread use in the power plants of the great iron and steel producers.



Every wanted type of faucet is among the valves Crane makes to serve you

Seeking the utmost in safety, dependability, and economy, their skilled engineers have after careful investigation specified Crane materials. Their choice suggests that you do likewise. For whether you are a home owner, factory manager, or water-works executive, you are certain to obtain similar satisfactory performance from products marked with the Crane name, and backed by its 71-year reputation for faithful service.

# CRANE

PIPING MATERIALS TO CONVEY AND CONTROL STEAM, LIQUID, GAS, AND OIL

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The cover on Williams Holder Top Shaving Stick locks on with a quarter turn and stays there until you want it to come off



## WILLIAMS Lather in a Non-Slip Holder

**Q**UICK, rich, bulky — Williams lather is so saturated with moisture that it soaks the beard soft for easy shaving. The razor just glides through the beaten bristles.

We have stored this wonderful lather in a long-lasting stick form of soap. The Williams Holder Top is different from other shaving stick holders. The soap itself is gripped by a metal ring, threaded to fit into a corresponding thread in the holder top. The stick can't work loose in the holder, and when it has worn down, the wafer of soap comes out cleanly—no muss or jamming.

We make stick, cream, powder, tablet—four forms, one lather—Williams.



This is how the threaded metal ring on the Williams Holder Top securely fits the Holder Top.

Aqua Velva is our newest triumph—a scientific after-shaving preparation. A few drops keeps the face like velvet all day. We will send a generous test bottle free. The J. B. Williams Co., Dept. 88, Glastonbury, Conn. (Canadian address, 1114 St. Patrick Street, Montreal.)

# Williams Holder Top Shaving Stick

## Recent Federal Trade Cases

Copies of the Commission's complaints, respondents' answers, and the Commission's orders to "cease and desist," or of dismissal may be obtained from the offices of the Federal Trade Commission, Washington, D. C., without charge by reference to the docket numbers. Transcripts of testimony may be inspected in Washington, or purchased at 25 cents a page from the official reporter, whose name is obtainable from the Commission.—Editor's Note.

**L**ABELS bearing the word "Cocoon" on garments made of English broadcloth tend to deceive the public, the Commission concludes from the stipulated facts in a case against a New York firm (Docket 1261). This firm, the Commission explains, imported from England a cotton fabric generally known in the United States as "English broadcloth," and sold the imported material to manufacturers of men's shirts and to dealers in cotton goods. To the best grade of broadcloth imported, the Commission contends, the firm applied the word "Cocoon," which it registered as its trademark. A prohibitory order issued by the Commission requires the firm to discontinue supplying its customers with labels bearing the word "Cocoon" for affixing to garments not made of silk in whole or in part unless the word "Cocoon" is qualified by the words "All Cotton" in type equally conspicuous. Commissioner Nugent dissented from this order because he doubted that the order could be enforced if violated.

**M**AINTENANCE of uniform resale prices among jobbers and retail customers is given as cause for the issuance of a prohibitory order to a Seattle manufacturer of hair dressings (Docket 1297). In the distribution of its products, this company, according to the findings, established and maintained uniform resale prices through the cooperation of its customers, its agents and its employees.

The findings recite in detail the business practices used by the firm for the maintenance of resale prices, among them the issuance and circulation of price lists indicating the resale prices at which it desires its products to be sold; soliciting and receiving information and evidence from its customers with regard to the cutting of its resale prices by other customers; and refusing to supply its products to dealers failing to maintain its resale prices unless it received satisfactory assurance of the observance of those prices in the future.

**A**QUESTIONABLE use of the words "woolen mills" is involved in cases against two Minneapolis companies. Orders issued by the Commission direct the two companies to discontinue selling and distributing under a trade name or a corporate name which includes the word "mills" in combination with the word "woolen" all garments or materials in whole or in part of wool "unless and until it actually owns or directly controls or operates a mill or mills wherein is made any and all such materials or garments sold or offered for sale by it under such title or name."

Neither of the companies owns, operates or controls any mill or mills in which the merchandise it sells is manufactured, the Commission found, but, as a matter of fact, each purchases its goods from manufacturers and dealers. The use of the words "woolen mills" in the corporate names, the findings declare, misleads and deceives both the trade and the public, and induces the purchase of the companies' goods in the erroneous belief that they are manufacturers, and that buying from them results in a saving to the purchasers by reason of the elimination of the middleman's profit (Dockets 1336 and 1365).

**S**ELLING candy by lottery is banned by the Commission in an order directed to a Baltimore, Maryland, company. According to the

findings of the Commission, the company sold boxes of candy containing 150 chocolate eggs to sell for one cent each. Accompanying each box were four 3-cent eggs, three 5-cent eggs, and three 10-cent eggs, along with a display card reading "pink center entitles holder to 3-cent egg; lemon center entitles holder to 5-cent egg; white center entitles holder to 10-cent egg; last purchaser also gets 10-cent egg." It was impossible for the purchaser to determine the color of the centers before the one-cent eggs were broken open, the Commission found, and it therefore decided that getting the prize egg was entirely a matter of chance. Placing the boxes of candy in the hands of dealers is unfair to competitors who do not resort to a lottery scheme in marketing their products, the Commission contends.

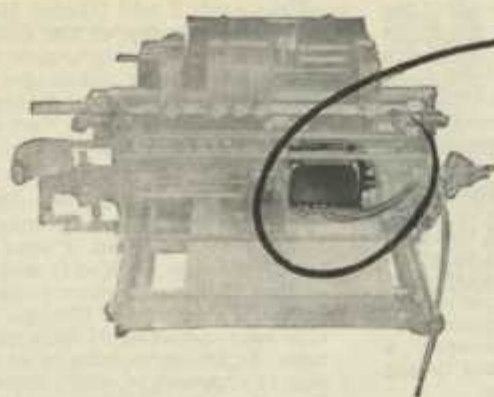
**S**TIPULATIONS have been made in cases of false and misleading advertising, false and misleading corporate or trade names and advertising matter, and false and misleading brands and labels, the Commission reports. All of the practices indicated have been previously condemned as unfair competition. On the making of agreements for the discontinuance of the unfair methods, the proceedings were dismissed with the understanding that, should the methods be resumed at any time, the stipulation may be used as evidence by the Commission.

**C**OMMISSIONERS Nugent and Thompson have filed a written dissent from the order dismissing the complaint against a baking corporation (Docket 1358). The complaint, which charged acquisition of the share capital of several competitors, was dismissed by a majority of the Commission after the entering of a consent decree, April 3, in the district federal court of Maryland in the case of the United States against the Ward Food Products Corporation and others.

**D**ISSENTING from the action of the Commission in reopening the so-called "motion picture case," Commissioner Thompson has prepared a formal statement in which his position is defined with saying:

This case was docketed as an application for complaint on December 10, 1919, after





Quickly, quietly, the motor on the new Elliott-Fisher sends the carriage gliding back and forth over the flat writing-surface. All the operator does is strike the keys.



### Some Elliott-Fisher Automatic Features

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| 2. Automatic Carriage Return Forward and Back.        | 7. Automatic Accumulation of Column Totals.  | 11. Automatic Proof of Balance Written—Star Signal. |
| 3. Automatic Line Spacing.                            | 8. Automatic Addition, Subtraction or Neutral for Cross Balances simultaneous with Automatic Accumulation of Column Totals up to 29. | 12. Automatic Audit Sheet.                          |
| 4. Automatic Circuit Breaker.                         | 9. Automatic Elimination of Computation in any column position desired.  | 13. Automatic Combination of Related Records.       |
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# Automatic! Electric!

This new Elliott-Fisher Accounting Machine now does by power what was formerly done by hand

A NEW Elliott-Fisher accounting machine has been perfected. It retains all the features that have made the Elliott-Fisher the leader in the commercial world today. And in addition, it is automatic and electric.

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The new Elliott-Fisher Automatic Electric is simple in construction. There are no compli-

cated attachments. It is also extremely durable—a quality for which Elliott-Fisher machines have always been noted.

There is just one way to find out how this machine can be used in your accounting department. That way is to see the machine itself—see what it does—see it in operation. A note from you and we shall be glad to furnish more information about Elliott-Fisher machines—about the new Elliott-Fisher Automatic Electric—and, if you wish, arrange for a demonstration. Just write—Elliott-Fisher does the rest—just right. Elliott-Fisher Company, 342 Madison Avenue, New York, N. Y.

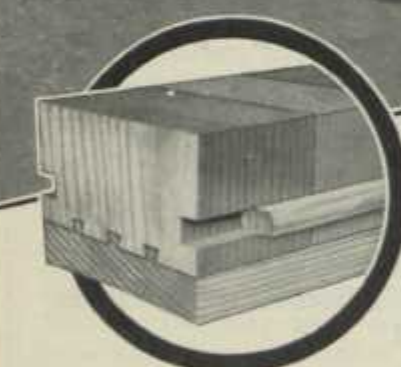
# Elliott-Fisher

## AUTOMATIC-ELECTRIC



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**T**HE Roster of Bloxonend Flooring Users is like a Blue Book of Industry—in it may be found the leaders in practically every industry where floors are subjected to heavy service.

Bloxonend Flooring is lastingly smooth—operations over its surface are speeded up. Wear and tear to portable equipment and damage to cargoes minimized.

Bloxonend comes in 8 ft. lengths and is laid over old or new concrete or wood floors without interrupting operations. Write for Descriptive Booklet "M".

**CARTER BLOXONEND FLOORING COMPANY**

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Representatives in all principal cities

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Lays Smooth FLOORING Stays Smooth

preliminary investigation. Since that time the Commission has taken evidence all over the United States to the extent of 17,264 pages and has spent approximately \$73,601.28 during a period of six years. The record was digested and the case exhaustively briefed and argued before the Commission. At the time of the trial, counsel for the respondents presented arguments covering the offer of evidence on numerous points and cited rulings of the trial examiner refusing to admit such evidence in some 5,000 instances.

I am opposed to the granting of that part of the motion to open the case to take further testimony regarding block booking and theater ownership since, in my opinion, the evidence and the findings of the examiner already show a tendency toward monopoly, a substantial restraint of trade, full line forcing and tying contracts contrary to law.

Three years ago I stated before a congressional committee that it had been freely bruited about the country and throughout the motion picture industry ever since this case was started that final action would never be taken resulting in the issuance of an order. That statement has become literally true so far as my vote is concerned, since my term expires September 26, 1926. In the meantime it will be utterly impossible to complete the taking of the additional evidence as contemplated by the Commission.

**D**ISMISSALS during the month included cases against a worsted manufacturer of Sanford, Me., a knitting company of Cleveland, a cigar company of Philadelphia and one of Harrisburg, and several packing corporations.

The complaint against the worsted company charged that the company and its selling agent, in cooperation with others, established and maintained minimum prices for the sale of worsted cloth to jobbers and dealers (Docket 976).

Knitted goods sold by the Cleveland company were not manufactured by it, the Com-

mission said, in charging that the company created an erroneous impression that it manufactured the goods it sold (Docket 1355).

Because a majority of the Commission believed there was no public interest in the charge of misbranding made against the Philadelphia cigar company, the case was dismissed (Docket 1254). Commissioners Van Fleet and Thompson dissented from the dismissal, contending that—

The respondent manufactures cigars in Philadelphia, using the name Marshall Field and having a so-called coat of arms very similar to and evidently intended to simulate the coat of arms of the well-known house of Marshall Field and Company of Chicago. Respondent sells large quantities of these cigars in Chicago. In fact the volume of its sales in Chicago as compared to other cities is significant. There is evidence in the record showing that people, and especially in Chicago, buy these cigars under the belief that they are made by Marshall Field and Company. The use of the name and evident simulation of the coat of arms by respondent convinces us that such is the intent of respondent. Such use is a fraud on the purchasing public, a wrong to Marshall Field and Company, and an unfair method of competition to other cigar manufacturers.

... That the respondent uses the name and coat of arms with the intent to give the impression to the purchasing public that the cigars are made by Marshall Field and Company and thereby to reap the benefit of their good name and advertising is too plain for debate. There could be no other purpose. Else why not use their own name?

Use of misleading brands and labels was alleged in the complaint against the Harrisburg cigar company; and lessening competition in the sale of pineapples in the territory of Hawaii by acquiring all of the share capital of four Hawaiian concerns was charged against the packing companies.

## Ourselves as Others See Us

By RAYMOND C. WILLOUGHBY

**P**UTTING UP with Americans in England is not without its compensations if they can be put up in English country houses, the

### Americanization of the English Countryside

*London Spectator* suggests in noting that the practice of letting estates to American visitors is growing. The possibilities of developing this business are briefly outlined in a gossipy paragraph, which confides that—

Those of my American friends who have taken houses in England since the war have much enjoyed their stay here. They have liked this intimate insight into English country life, espe-

cially so where the owner's domestic staff have remained during their tenancy. In the *Dear-born Independent* a writer describes the "enjoyable vacation" he had last year when he took an English country house. Surely it should be possible to organize some kind of country house exchange whereby the British owners of country houses who want to let them would be enabled to get in touch with well-to-do Americans who want to spend their summer holidays there. The exchange would have to be efficiently run, and its American clients would have to be satisfied that only houses in a suitable state of repair and with modern comforts would be offered.

**E**FFORTS of American automobile makers to establish their products in France, "the most difficult market in Europe," have been

### French Bodies Were Once the Knee Plush Ultra

observed by foreign editors with informative comment. From the *Autocar* the *London Review of Reviews* quotes this measure of American competition:

The number of direct factory representatives is greater than ever, sales campaigns are being pushed with the utmost vigor, and those firms at present on the market are determined to hold and extend the position they have secured.

This direct competition tends to bring home to French makers the weak points of their product, which are poor bodies, an insufficient degree of silence, and the absence of convenient accessories. Quite recently Gabriel Voisin, with characteristic outspokenness, produced a booklet denouncing the insufficiency of present methods of body building, in which he declared that if the tariff walls were suddenly removed, American cars could in a few weeks submerge



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# FISK

TRANSPORTATION  
"Fillerless"  
CORD TIRES



Time to Re-tire  
Get a FISK  
SHOULD GOVERN YOU IN A FISC. CITY

## "I Did Not Neglect to Specify Fisks"

Read this unusual testimonial from Mr. Clarence W. Cummings of Providence, Rhode Island. Specifying Fisk Transportation Cords has become a habit with successful bus operators.

"You will no doubt be interested to know that in placing my order for the bus shown in the inclosed photograph, that I did not neglect to specify my preference for Fisk Transportation Cords, as experience has taught me that the tire equipment should be selected just as carefully as any other detail which enters into the purchase of a new bus.

"I operate on a schedule from Providence, R. I., to Narragansett Pier and have had absolutely no delays for tire trouble.

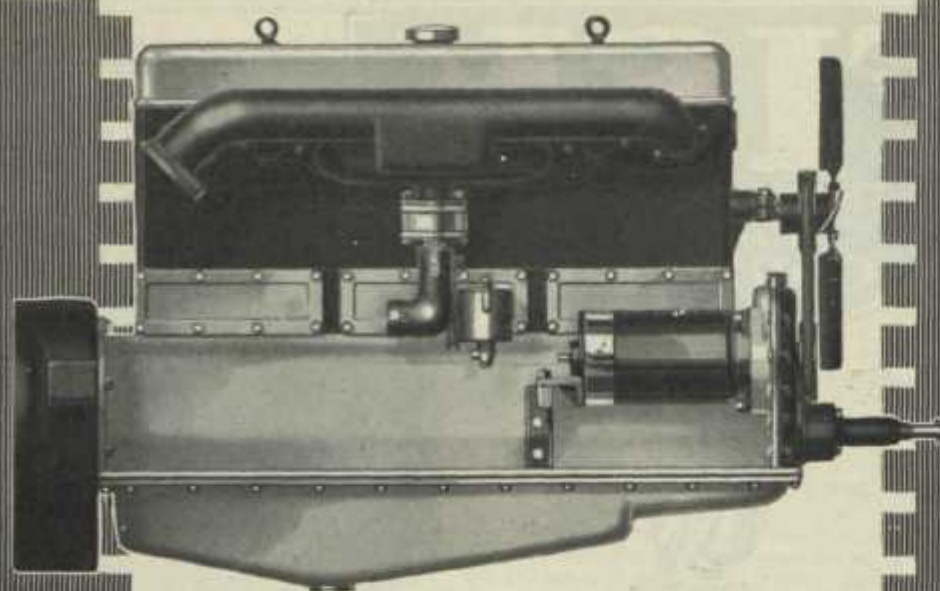
"Be assured that I will specify Fisk on future business."

*Fisk Transportation "Fillerless" Cords  
are made in all bus and truck sizes*

**The Fisk Tire Company, Inc.**  
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You know of innumerable cases where "hauling overhead" has wiped out the last thin margin of expected profit.

Wisconsin Motors can be counted on to operate consistently at lower cost—to give extra miles from fuel and oil, more miles between overhauls, and less time-cost per overhaul.

Wisconsin's famous "More Power per Cubic Inch" brings the fuel economy. Precision standards reduce the trips to the shop. Simplicity and accessibility lower the time-cost of overhauling.

Thousands of Wisconsin Motors are daily proving this—and you who are interested in haulage cost sheets can get for the asking plenty of proof that these great Sixes and Fours are invariably cheaper to use. Write us.

**WISCONSIN MOTOR MFG. COMPANY**  
MILWAUKEE WISCONSIN

Wisconsin Motors are manufactured in a full line of Sixes and Fours, with power range from 20 to 120 H. P.—for trucks, buses, tractors, and construction machinery.

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the entire French motor industry, like a tidal wave, if only American mechanism was capable of standing up on French roads.

A measure of France's progress in designing gas producers for automobile engines is provided by the *London Spectator*:

... now the French are the pioneers in the use of the suction gas producer to supply the explosive agent in replacement of gas from motor spirit. The prime motive underlying this development is the compelling necessity



of checking the ever-increasing quantities of petroleum products which must be imported from foreign countries. As one of the advertisements of a well-known make of gas producer reads: "Why pay 100 francs to the American Oil King, instead of 20 francs to French charcoal burners?" And that such an economy can be effected is borne out by official figures checked by responsible and disinterested people. A Ford ton van, fitted with a gas producer weighing 353 pounds, underwent an official test under the auspices of the Automobile Club of France. . . .

ALONG WITH the Niagara of words telling about the general strike in Britain comes a British view of the fairness and accuracy of

American newspaper accounts. A London newspaper writers may be temperamental correspondent of the *Manchester Guardian Weekly* reports that—

The great majority I have seen treat the whole thing with care and fullness and little bias, and with no straining for sensationalism. It would be difficult, for instance, to think of a brighter way of showing the crisis from both sides than that of the *Baltimore Sun*, which prints day by day, side by side, an article on the strike by Mr. Ian Colvin, of the *Morning Post*, and another by Mr. Hamilton Fyfe, of the *Daily Herald*. . . . The two chief American agencies set the key of sobriety and documented narratives of the strike. . . .

Of course there are some wild things in American papers. One important New York daily publishes an account of a journey by car from Scotland to London during the strike. This correspondent speaks of the calmness of the country, and mentions that the only soldiers he saw were on "a normal move." He also mentions that Hull Town Hall was besieged by volunteers eager to help. His article appeared correctly, but the headline expert had put in some fine work. "British War Office Moves Troops Secretly" was one headline, and another was "Town Hall Besieged."

A FLOOD OF COMMENTS released by the death of Joseph Pennell defines in part his place in the world of art and letters, and

But "Old Joe" gives new point to the Loved Things of his ways and works. He chastened By one commentator he is acclaimed "the artist of modern American industrialism" because his etchings of "the steel mills of Pittsburgh and the steam shovels and giant cranes in the Panama Canal are instinct with the life of titanic machines." Another opin-



ion bears testimony that "he was a realist, a child of his age, and a credit to his times," and that "in his acid way he conducted a campaign of knight errantry against commercialism in art and against esthetic shams and pretentious fads." From the *Nation* and the *Athenaeum* comes this portrait:

There was a quaint contrast between the art of Joseph Pennell and his personality. Nothing could be more dainty and refined than those delicate drawings, with their suggestion of speed and joyful surprise. And no one could be more comically cantankerous than "Old Joe," spluttering his rough abuse of men and things in general and in particular. He made an idol of Whistler, but from sheer habit he industriously revealed the feet of clay. Tall, gaunt, and looking rather like an astonished Yankee in a caricature, he was eternally squeaking out harmless vituperations. It was only Old Joe's way, and was taken as such. When he lived in England he hated it (and drew its beauties like a lover); when he returned to his native America he was disillusioned again, and volubly said so. He had many friends, and they all refused to allow him to hug the grievance of being disliked. The soul within the rough case was that of a tender and untiring follower of beauty, and from his hard work and devotion came a precise and sensitive technique.

If there was criticism of his bitter strictures on some of the laxness and vagaries of the art of his times, it did not blind England to his reverence for pure beauty, or to his ability to give exquisite form and substance to the wistful, poignant, and dignified glories of an age that is gone. Of him the *Manchester Guardian Weekly* said:

After the war Mr. Pennell put his long-standing threats into practice and went back to America. He had said so often and so frankly what was wrong with England and the English that something seemed to go out of the crucet of London life when he went away. But something was added to the crucet of American life when he arrived there after his thirty years in England. Alas! America, too, was a lost nation. . . . He finds in the United States only "devolution, degeneracy, and decay." Perhaps he will come back. And though he comes back with his whips and scorpions there is something about Mr. Pennell that will make most of us glad to see him in London again. It is his spiritual home, for only there are people content to have grievances and to put up with them—even if the grievance is Mr. Pennell.

A MAN WITH A BODKIN is T. B. Simpson. Up and down and across our land went this observing Scot from Edinburgh, deflating generalities about our way of life, and yet somehow managing to give his exposures an infectious savor of humor. In *Scribner's* he asks whether, "generally speaking," Americans are "grasping



materialists" or "sloppy idealists," as other mouths and other pens have rated them. From his own experiences, he bears witness that some impressions of Americans have

# EXPENDED FOR GROWING UTILITIES

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**P**UBLIC UTILITIES are successfully meeting a huge and fast-growing demand for electric light, power and transportation. Practically as old as the industry itself, the Stone & Webster organization has kept even pace with the extraordinary expansion of the utilities for thirty-seven years.

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Over \$100,000,000 yearly is expended through the Stone & Webster organization for public utilities construction, maintenance and operation. These activities extend into nearly every important State. The home office directing the financing, construction and operation of properties numbers 1500 people and occupies three acres of offices.

## Operating Managers for 60 Companies

Stone & Webster provides executive management for sixty separate public utility corporations. The record of these properties is an accurate measure of Stone & Webster operating, engineering and financial skill.

During the war the strength and soundness of the utilities was severely tested. The Stone & Webster companies achieved notable results in maintaining both their physical condition and their record of dividends.

The Charles A. Coffin Medal—awarded to the company contributing most to the development of electric transportation—recently was won by a Stone & Webster property.

Stone & Webster service is in demand the country over. These facts show its value.

## Construction 2 3/4 Million Horse Power Reports on \$5,500,000,000

Stone & Webster has examined and appraised properties to the total value of five and one-half billion dollars, including many of the country's foremost public utilities.

Its construction of power stations aggregates 2,750,000 horse power. The systems fed wholly or in part by these stations serve a population of 15,000,000—twice the population of New England. This includes 7,000,000 served by systems receiving power from Stone & Webster-built hydro-electric plants.

Power construction work in progress is a half million horse power. Three-quarters is for old customers who have learned that Stone & Webster-built stations pay dividends. This is because of the economy for which they are famous, and also because Stone & Webster knowledge based on actual experience of operating sixty widely-distributed utilities is available for extending old systems or planning new ones.

## For Investors

The Securities Division of Stone & Webster rounds out and completes the organization's intimate contact with the public utilities industry. Through its operations in financing properties and handling their securities it provides thousands of individuals and institutions with favorable opportunities to invest their funds in electric light, power and transportation—fundamental necessities of modern life.

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# Play the SILVER KING



"I PLAY THE KING," said Archie Compston, "for the length ther's in the ball. And th' way it takes a drubbin' and comes out with a whole hide would appeal to the soul of a Scotsman! A good part o' golf is mental, and the King is a breeder of golfin' confidence."

**STILL A DOLLAR**  
no raise in the price



*John Wanamaker*  
NEW YORK PHILADELPHIA

Wholesale Golf Distributors

been blurred in transit, and so are considerably out of focus with the facts. He writes:

First and foremost, we have the impression, gleaned perhaps from the restless flicker of the cinematograph, that the Americans are a nation of hustlers. To be disabused of this one need only enter a big business building in any of the great cities. In the large, impressive entrance hall, whose pillars are made, as likely as not, of marble brought from Mount Pentelicus, fat goldfishes laze round in a tank beneath an immense mosaic executed in glowing colors. A reverential peace pervades the air, and the worshippers—I beg pardon, the men of business—speak in a hushed whisper, if they speak at all. In these cathedrals of commerce every one has unlimited leisure. The high priest, or chief manager, instead of being immured in an inner holy of holies into which, in Europe, nothing less than a machine-gun section could force its way, sits in the outer office, beside the front door, and is accessible to everybody. He will talk to the casual visitor for an hour and a half, and nothing is farther from his mind than business. Who does the work remains a mystery, but presumably some is done by somebody.

The same absence of hustle impresses itself on the stranger in the places where he would most expect it—the railway stations. To stand in one of the big New York stations suggests anything rather than the strain and stress of railway traveling. For one thing, there are no trains in them, and that removes a disturbing element. A few languid travelers and redcaps saunter toward the lifts, while fretted vaults above them rise to unfathomable heights. . . . Once in the train, our transatlantic traveler will find that it does not, with few exceptions, maintain the high average speed of an English express. . . .

In any case a natural deficiency of titles is amply compensated by the vast number of societies which confer the most imposing and high-sounding ranks upon their members. A delightful sense of democratic grandeur is imparted by membership in the Elks, Moose, Macabees, American Woodmen, Ku Klux Klan, fraternities embellished with all the letters of the Greek alphabet, Knights of Jerusalem, Daughters of the Revolution, Pythians, and Masons of every shade and variety. Who would be a mere Sir or Lord when he might be a Most Worshipful Moose, or a Grand Double Eagle with crossed swords? These titles may not exist, but they convey the general idea. . . .

. . . in one small country town I discovered no fewer than six banks, all main offices with no other branches. This one more, broadly speaking, than all England possesses. Despite the fact that big stores seem to figure here and there, America is the country of the small shopkeeper, or, more correctly perhaps, shopkeeper. There is a nice, homely atmosphere about it all.

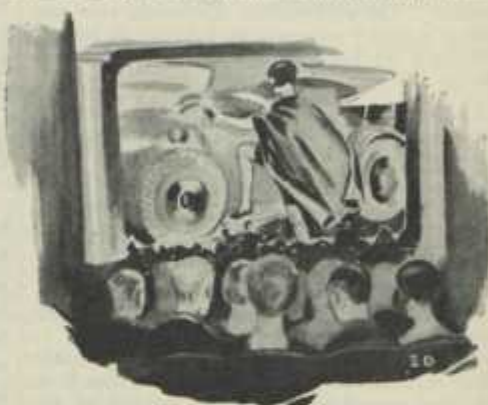
To OBSERVERS from other shores America's interest in Europe has seemed bottomed on idealism and materialism in proportions which have varied with the quality of foreign vision. To Mary Agnes Hamilton our interest in Europe is literally a matter of interest. Writing for *Foreign Affairs* of London, she reports that:

There is a great deal of idealism lying about there, much of it genuine, but most of it an easy, flaccid, rather negative kind. It is curiously mixed, too. I was surprised to find more "idealistic" anti-Hun feeling even in Boston than here survives; and continually being pulled up by the discovery that their hatred of imperialism is a hatred of British imperialism, with a tolerably well eye to the American brand. Moreover, it is at least a question whether, taken at its best, this idealism is more than a top surface for a realism of quite an-

other substance. The United States, in the last resort, are a practical country. It is through economic power that they are to exert a stranglehold over Europe, if they do exert it. To whom have they lent money? That is the test. . . .

A CONTINUOUS FILM DIET of America's night club orgies may prove too much for the mental digestion of the rising generation in Britain, suggests the *London Spectator* in its editorial consideration of the proposal requiring exhibitors to show a definite percentage of British film—a proposal which tacitly admits that the success of this remedy would be more assured if American producers were available for consultation. As the *Spectator* sees the situation:

. . . till the British film industry is capable of producing first-class pictures, and so long as we are obliged to import 90 per cent of our films, surely we should insist that no film should



be exhibited which is likely to be harmful to the coming generation. The report of the Australian federal film censors dwells on this problem, and deplores the unsuitable nature of many of the films supplied. . . .

The lack of British films was discussed in the Ontario legislature recently, and a Conservative member proposed that certain restrictions be placed on the owners of cinematograph theaters who fail to show a certain percentage of films of British origin. Similar discussions have also taken place in Australia. I believe that the time is ripe for the appearance of a British film magnate with imagination. If he were prepared to produce British films on a sufficiently large basis and to devote special attention to the mechanical side of his work, he would find the public ready to welcome him. If he were wise, he would associate with himself the best brains that Los Angeles can produce.

Another estimate of the "demoralizing" influence of our films is made by the Swedish review *Svensk Tidskrift* and passed on by the *London Review of Reviews*. To the Swedish editors our movies seem to belie the statistics of Americans engaged in gainful occupations, for they say:

Of the pictures themselves the most objectionable are those that depict the luxurious lives of the idle rich. The content of these films is always the same. The dramatic personae spend their lives in hotels de luxe and night clubs and occupy themselves with flirtations and dancing; elegant motor cars stand ready to convey them; their houses are marvels of comfort; no toilettes are too costly for the women, no garments too well cut for the men. The whole atmosphere of these film plays is indescribably nauseating. Not a feeling, not a gesture is genuine; all is soulless and false. . . . Not the least disgusting is the boundless admiration for idle riches. . . .



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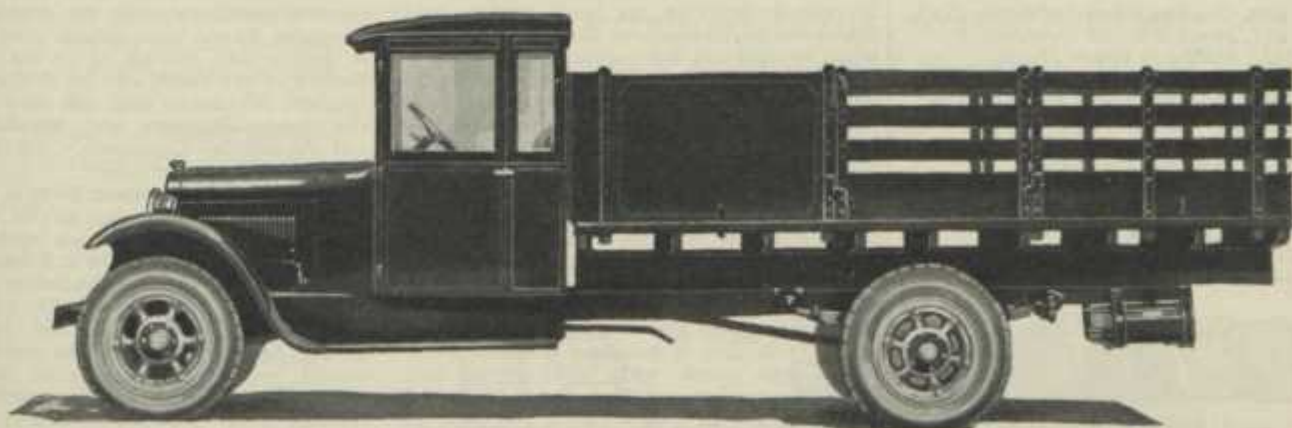
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in **SYSTEM** for May 1926

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## Business Views in Review

By WM. BOYD CRAIG

**B**USINESS prophets and prognosticators who were busy predicting the world's greatest prosperity for this country last January, gave way to expressions of doubt and even pessimism following the stock-market liquidations of March and April.

The consensus of opinion now, however, is that general business will continue fairly brisk throughout the rest of 1926. Most of the New Year prophets would extend their predictions only as far as July 1. The pessimism for the balance of the year has largely disappeared with the recovery of the stock market.

The Guaranty Survey says that "it becomes increasingly clear that the record of American trade and industry for the half-year will be found to compare favorably with that of any similar period in history. In a number of important branches new high records have been established, and in nearly all a considerable degree of stability at high levels has been maintained."

"Recent developments have served to emphasize the fact that the recession in business activity since the early part of the year has not only proceeded in an orderly manner, but that it has been distinctly moderate in degree. In most respects the current movement is comparable with that of the spring and summer of last year. Since 1923 these declines in activity, extending from early spring to late summer, have occurred with such regularity that they have come to be regarded as largely seasonal in character."

And the National City Bank of New York concludes: "The second half of the year opens with general business on a level of activity not far below that prevailing when the year began. Some lines, it is true, have failed fully to maintain the active pace of earlier months, but generally speaking trade and production have held up better than many have expected. Commodity prices have continued to show more stability, and retail trade has responded to more seasonable weather in a manner that speaks well for the ability and willingness of people to buy when conditions are at all propitious. These factors, together with a considerable recovery in the stock market, have helped to dispel much of the pessimism that began to crop out last spring."

"Most of the fears of business reaction in the latter half of the year have been based on possibilities of a slump in the so-called key industries, namely, steel, building, and automobile manufacturing, and thus far these industries have failed to justify pessimistic predictions. Steel buying has picked up lately to a degree that has surprised and encouraged the trade, and prices of structural steel have been marked up \$2 a ton, following an advance on bars in May. Building contracts awarded during May showed a gain of 10 per cent over last year. Production of passenger cars and trucks in the same month, while off from the high levels of preceding months, was 419,513 or 2.3 per cent ahead of May last year, and although competition is increasing and all companies are not sharing equally in the business the record of the popular makes shows that the market for the kind of a car the public wants is by no means exhausted."

Another reflection of the attitude of banks toward business trends comes from *Commerce Monthly* of the National Bank of Commerce in New York, thus:

"Since mid-May, favorable developments have outweighed unfavorable influences and in consequence sentiment has swung from uncertainty to moderate optimism. It is, however, not yet possible to foresee with assurance the probable course of business for the remainder of 1926."

"The pronounced change of feeling which is evident in most directions is the result of a

number of factors. In part, it is unquestionably a natural reaction from the pessimism engendered by the severe stock-market liquidation of March and April.

"In part, it is the result of general recognition that while the late cold spring has had a retarding effect on retail demand for some classes of goods consumption as a whole is at high levels and will continue so while there is full employment at good wages."

### Motor Bus Invades Old World As Its Popularity Grows Apace

**N**OT so long ago public utilities companies regarded the "jitney bus" in somewhat the same way that the traditional bull looked at the calf of doubtful lineage. Now the same companies have taken the despised member to their respective bosoms, and rechristened it the motor bus. Indeed, the Philadelphia Rapid Transit Company has even gone so far as to run an auxiliary line of airplanes from Washington to the Sesqui grounds.

Not only in the United States are the buses gaining in numbers and quality, but throughout the rest of the world as well. London found that its publicly owned tramways were losing money because of the successful inroads on receipts made by buses, so the Home Counties Traffic Advisory Board told the Ministry of Transport to cut down on the number operating, according to *Automotive Industries*. While our own utility companies are fighting competition by absorbing it, England takes a step in the other direction and eliminates it by official command.

The *Commercial and Financial Chronicle* points out that "the constantly increasing use of the motor bus in the more remote regions of the world for both passenger and freight service is strikingly shown in a trade report compiled by H. C. Schuette of the Automotive Division, the Commerce Department, made public on June 24. The Department's announcement says:

"The motor bus, the report discloses, is now carrying passengers over the Arabian Desert, traversing the old biblical route from Jerusalem to Jericho and running up to the Temple of Heaven in the sacred city of Peking. Names that are familiar in song and story appear in this report—Rangoon and Mandalay—Cairo and Alexandria—Casablanca. All these have their quota of motor buses."

"According to the report there is a bus line which conducts a regular service across the Gobi Desert in Northern China connecting Kalgan with Urga and covering a distance of more than 600 miles. Even on the Sahara Desert the modern motor bus is gradually usurping the place of the picturesque and cumbersome camel. In the Philippines the motor bus has proved one of the outstanding agencies for civilizing the natives of the remote villages, enabling them for the first time to have adequate means of communication with their neighbors."

"According to the report there are today operating in Asia, Africa and Oceania about 17,000 buses. British Malaya and French Morocco head the list of individual countries with about 2,000 buses each; India and Australia have each a little less than that number, while the Philippines and Japan have 1,700 and 1,600 respectively."

"Inevitably the motor vehicle must take its proper place as a passenger carrying unit in urban transportation, and eventually it must replace street car lines on congested city streets. In isolated cases the change already has been made and within the next five years it will have reached proportions that few can now conceive," said A. W. S. Herrington, chief engineer





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No one who voted for Grover Cleveland on his second election for President is less than 55 years old. And yet torch-light processions of that presidential campaign (1892) marched on brick pavements which are still in use today.

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of the engineering and design section of the motor transportation division of the Quartermaster Corps, in a recent address reported by *The Automotive Manufacturer*.

## Administration Takes Stand On Mergers and Stock Rights

THE administration is now definitely committed against undue growth of industrial mergers and the issuance of non-voting stock.

That is the opinion of the press generally of the speech by Col. William J. Donovan at the New York bankers' convention at Quebec.

The *American Banker* quotes him, thus:

"Those who are charged with managing business in which the great bulk of the stock is held by individuals who have neither the training nor the opportunity of participating in the activity of the business, owe a peculiarly high obligation to their stockholders. They bear not only responsibility for the direction of the business, but are charged with the conservation and protection of the funds entrusted to them in the management of the business. As trustees they owe a duty to their shareholders that often is not truly recognized."

The *Mining Congress Journal* politely begs to differ with the Colonel in these words:

"The declaration of Col. W. J. Donovan, assistant to the Attorney General, that there is a 'beginning of the same resentment towards consolidation of industry that was so evident against combinations of the early nineties,' is an opinion that might be expected from any representative of the Department of Justice who has been connected with antitrust prosecutions."

"We disagree with Colonel Donovan. We believe, on the contrary, that the public is beginning to realize that in order to stabilize our basic industries some consolidation of industry is necessary in order (to paraphrase another statement of Colonel Donovan) that capital may be massed and assembled for sound economic purpose that a better public service may be rendered."

"To this end, sentiment is growing in favor of modification of the Sherman antitrust law. Of course, there would be resentment against combinations calculated to violate the competitive principle in business, but there is little tendency in this direction, especially among the leaders in our large basic industries."

"In contrast with the attitude of Colonel Donovan, many of our national legislators hold the view expressed in a recent public address by Representative Joe J. Manlove, of Missouri, who, after reviewing the ills of the coal industry, said:

"With these conditions in mind, it is evident that there must be closer organization before there can be a continued prosperity in the industry. Undoubtedly the enactment of more elastic provisions of the antitrust laws, which would permit, although probably under Government supervision, such agreements and consolidations as would tend to stabilize the bituminous coal industry, would be to the interest of the producer, the miner, and the public. Consolidations would tend to insure the continuous operation of low cost mines and also steady employment for labor."

"We have found no evidence of public resentment against consolidations in industry that are necessary to insure continued industrial prosperity and growth. The fear that prompted the antitrust legislation of 30 years ago does not dominate public opinion at the present time."

"The public is beginning to realize that the greatest relief that may be expected from present high prices for the necessities of life will come through business combinations and consolidations that are necessary in order to reduce overhead costs and costs of marketing, and to eliminate waste of economic effort through better coordination of agencies of production and distribution."

On the other hand, the *Kansas City Star* applauds the stand in this wise:

"The early policy of the Coolidge administration was to let business alone, so far as possible,





## For Diagnosis— THE PHYSICIAN

In frontier days each man, of necessity, attempted his own cures for what ailed him, guessing to the best of his ability what combination of the drugs and herbs in his home medicine chest would meet the emergency. Today, with a broader understanding of the complexities of the human organism, self-doctoring grows steadily less.



## For Packaging ~ the Package Engineer

**B**USINESSES, like men, suffer from a variety of ailments. Like men, they are often unconscious of the presence of serious conditions. And, again like men, faith in self-diagnosis is perilous.

Take packing rooms and shipping departments as an example. There are business houses which are unknowingly losing trade through clinging to antiquated packing methods. Others are letting profits leak away through unnecessarily high costs—in labor, in space requirements, in package expense. Others are paying the price of needlessly exorbitant damage claims.

You admit the wisdom of periodical physical examinations (whether or not you practise them). It's good business management, likewise, to submit your packing and shipping methods to the expert scrutiny of a package specialist. Unlike the physical examination, there's no fee connected with the procedure. 40 H & D Package Engineers (see panel at right) are traveling 20 states to render just that service to interested shippers.

## He Knows Packages

Last summer the Penberthy Injector Company of Detroit called in H & D Package Engineers to a situation that others had failed to meet. The container designed by the Engineers was accepted after conclusive tests, and since that time they have used 1000 to 1500 containers monthly without a single complaint of damage.

Incidental to the extra protection afforded by the H & D boxes, they have noted the following advantages: first cost of material lower than former method; greatly reduced storage space; saving in wages because packing is done by girls rather than men; packing time speeded up 25%; and the customers get lower shipping rates because of the reduced weight of the boxes.



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If you finish your products with any kind of surface coating learn how you can reduce finishing costs and have finer finishes with Matthews Equipment. Dipping and brush methods are making way for this modern economical finishing method. If you are using some other kind of mechanical painting equipment try the Matthews Gun and see how superior it is. State type of equipment you are now using so we can include an adapter with the gun. If the Matthews Gun is not superior in every way you may return it within 10 days.

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to work out its after-war problems. But for some time it has been obvious that this policy had been construed or appropriated as a license to go the limit. The Donovan warning is timely. Undoubtedly people have been growing restive over recent corporation practices. If business does not set its house in order on its own initiative, the house is likely to be set in order rather rudely by outsiders.

"The railroads are still suffering from the public resentment they aroused by arbitrary and unjust practices of a quarter of a century ago."

### Farm Views of U. S. Chamber Bring Out Caustic Comments

IN AN editorial bristling with denunciation, *The Southern Ruralist* takes the Chamber of Commerce of the United States and its official organ, *NATION'S BUSINESS*, to task for the agricultural policy adopted by the Chamber and reflected by the magazine.

Says the *Ruralist*:

"Over a period of several years now the Chamber has constantly attempted to show that nothing after all really aided agriculture, and that the farmer ought to be satisfied. It has not only done this and attempted to dictate to agriculture but has with all its power attempted to keep the farmer out of Washington and to prevent the passage of any sort of legislation of 'practical and constructive' value to his industry.

"When any determined effort has been made by the farmer and his representatives to obtain 'equality of opportunity' with industry, the Chamber's spokesman, the *NATION'S BUSINESS*, has let loose a broadside of opposition of all sorts and types. In what it has said and done we are able to find precious little of that 'spirit of utmost cooperation.' 'Mutual helpfulness' has been as scarce as hen's teeth."

The *Ruralist* did not like a recent editorial in *NATION'S BUSINESS*, comparing the subsidy of English coal to the proposed farm relief bills before Congress. It concludes:

"There is a great lesson to be drawn from the disaster that has befallen the British, but there is no more connection between the subsidy granted the coal operators and the McNary-Haugen bill than there is between ground hog day and spring. In attempting to give the British mine owners and operators a new lease on life, the British took the final step in her century-old policy of sacrificing everything to industry, a policy the *NATION'S BUSINESS* apparently is quite willing to see our own country follow, and yet if we do follow it somewhere out in the future, as is now the case in England, there is a day of final collapse of both industry and agriculture.

"And this is the lesson the editor of the *NATION'S BUSINESS* should have drawn; that he should with all his might have driven home to the membership of the United States Chamber of Commerce and the business public generally.

"Yet he took the British subsidy to the coal operators as a text to denounce the present effort of agriculture to lift itself up to a level of 'equality of opportunity,' a level lifted high above his present economic head by huge indirect subsidies to industry and labor here in our own country."

And *The Prairie Farmer* views with alarm the opposition of the Chamber to agricultural subsidy thus:

"The United States Chamber of Commerce needs a national viewpoint. In the words of the *Illinois State Journal*, 'It more nearly answers the description of an upper Atlantic coast chamber of commerce.' Certainly its officers have anything but a national welfare viewpoint on some of the important questions of the day.

"Its bitter opposition to farm relief measures is described by the *Illinois State Journal* as 'reprehensible.' It is all of that. Such opposition is more easily understood than its campaign in favor of branch banking. The



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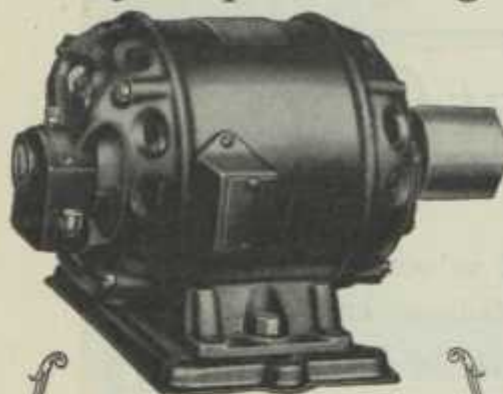
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Built in all standard sizes from  $\frac{1}{8}$  to 40 horse power—temperature rise not more than 40° C.

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MOTORS

$\frac{1}{8}$  to 40 Horse Power

Illinois Bankers Association is against branch banking. In all the Middle West there is little or no sentiment in favor of such concentration of banking power, which will inevitably lead to the elimination of the community banker, replacing him with a distant corporation whose only interest in the community is what it can get out of it. The experience of Canada with branch banking certainly does not furnish any argument for its adoption in the United States.

"The demand for branch banking comes chiefly from the large New York banks. That these banks have been able to enlist the aid of the officers of the United States Chamber of Commerce will not add to public confidence in that organization."

That not all farm journal editors think the same is shown by an excerpt from *The Southern Farmer*:

"We believe that in attempting to impugn the motives of the Chamber of Commerce of the United States in its opposition to the so-called corn belt plan for farm relief legislation, a few agricultural journals have displayed a lack of understanding of what the organization they are attacking actually is.

"Although the views of the national Chamber of Commerce on the merits of the corn belt plan are apparently coincident with that of most of the South, one or two Southern journals have taken occasion to imply that the vested interests are intent upon grinding the farmer down, and that in this effort they are operating through the national Chamber of Commerce.

"Our conception of the Chamber of Commerce is that it is an organization, not of big business, but of all business, little and big, held together by a realization of the fact that co-operation and exchange of ideas makes for progress and prosperity.

"Both the national and the local Chambers of Commerce give their attention to what they conceive to be the need of agriculture with the realization that all industries must be kept on paying bases for any to succeed. This agricultural effort is being extended rapidly in common with the increase of attention being given to farm problems by business leaders in many different lines of industry.

"Goodwill, friendship, an appreciation of the other fellow's difficulties—these are fostered by the Chamber of Commerce. Farmers of all people should learn to work with it, for it pays."

### Concession Basis for Business Popular with Soviet Officials

NEW regulations adopted by the Soviet Government whereby concessions for construction work of all kinds may be obtained by foreign capital, are explained in a statement by Joffe, associated with Trotsky in the chairmanship of the concessions committee. The Russian Information Bureau at Washington says the construction concessions constitute a new departure in Soviet policy, according to *The Iron Age*:

"According to Joffe, foreigners may obtain independent concessions in association with some Soviet institution, either a government organization or one of the trusts or syndicates. In either case the concessionary has the right to participate in bids for contracts on an equality with native building organizations; he may import duty-free machinery, tools and equipment necessary to his work; he may build all kinds of subsidiary factories and workshops; he may import from abroad all construction materials lacking in Russia and may bring in highly skilled workers, technical personnel, etc. In regard to taxes and assessments he is on an equality with government organizations operating on a commercial basis.

"In housing construction the concessionary may run the buildings commercially with a free hand as to rents and housing area. He may exploit a certain area of the buildings as restaurants, stores and offices.



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A STRONG COMPANY  
Over Sixty Years in Business.  
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and Secure in Every Way



## Conduct Principles Widely Adopted

SINCE the "Principles of Business Conduct" were put forward by the Chamber of Commerce of the United States at its annual meeting in 1924, they have met with wide acceptance. Following the 1924 meeting the National Chamber urged local chambers of commerce and trade associations officially to sponsor these principles. So far, 812 chambers of commerce and trade associations have acted on that suggestion. They have stimulated in turn the acceptance of the code by more than 8,000 individual business men, firms and corporations.

Among the 812 organizations, every state in the union is represented. New York leads with 114; Illinois comes second with 74; and in Pennsylvania, the third in rank, 68 organizations are listed.

Chambers of commerce in Nome, Alaska; Honolulu, Hawaii; Manila, Philippine Islands, have broadcast these principles in outlying territories of the United States. American chambers of commerce in the following foreign cities have officially endorsed this code and have undertaken to secure their observance: Sao Paulo, Brazil; Valparaiso, Chile; Peking, Shanghai, and Tientsin, China; Havana, Cuba; Santo Domingo, Dominican Republic; Berlin, Germany; Milan and Naples, Italy; Mexico City, Mexico; Lisbon, Portugal; Barcelona, Spain; Constantinople, Turkey; and Port-au-Prince, Haiti.

Of the 812 business organizations that have pledged adherence there are 573 chambers of commerce and 239 trade associations. Many of the trade associations have for one of their important functions, the enforcement of trade practices. They are taking the lead in the modern tendency toward self-government in industry. The Principles of Business Conduct were formulated as a general guide for all lines of trade and were not intended to govern specific trade customs of any one particular line of business. Many trade associations, in adopting the Principles of Business Conduct, have therefore included with them a supplementary code defining rules for guidance of their members in transacting business with each other.

The popular interest in these principles is shown by the fact that there have been requests for more than 200,000 copies of them. In addition to this distribution by the National Chamber a great many firms have made reprints in placard form and have distributed many thousands to customers and employees. In some cases business firms have had the code printed in display form in local newspapers.

Colleges and universities are taking an active interest. In 37 such institutions the Principles of Business Conduct have been used in courses on business administration as an example of the underlying philosophy that is guiding business in America. Several of these schools announce their intention to make this a part of their curriculums.

It is realized, of course, that the adoption of the principles is only the first step. The important purpose is to secure their observance. While it is not possible to evolve a successful plan of rigid enforcement, the National Chamber is pledged to a continuous campaign of education in the hope that all business men of America will consciously recognize the binding force of the business philosophy the principles set forth.



Insulating the roof of the Eli Lilly Bldg., Indianapolis, Ind., with 21,600 square feet of Armstrong's Corkboard

## Time for a new roof? Make it heat-tight with Armstrong's Corkboard

THERE is no need to wait until you put up a new building to get the comfort and economy of a heat-tight roof. Insulate it with Armstrong's Corkboard when you put on new roofing.

You will notice all the difference in the world on top floors or single story buildings under cork-insulated roofs . . . cooler and more comfortable in summer . . . warmer and easier to heat in winter. Your employees will notice it, too. Better working conditions mean more contented and efficient workers.

Applied in the proper thickness, Armstrong's Corkboard is the most effective and practicable material for roof insulation. It will insulate a roof so effectually that passage of heat through it, winter or summer, is reduced to a minimum. The saving in fuel will pay for the insulation in a very few winters.

Armstrong's Corkboard can be applied to any roof deck—concrete, metal or wood—or it can be laid right over the old roofing. The new roofing is applied directly over the corkboard in the regular way.

Your roofing contractor will furnish and lay Armstrong's Corkboard as a part of the roofing job. Ask him for an estimate.



"The Insulation of Roofs with Armstrong's Corkboard" will give you complete information on insulating roofs of public or industrial buildings. When condensation is a factor, ask for "The Insulation of Roofs to Prevent Condensation." Both books are free.

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(Division of Armstrong Cork Company)

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# Armstrong's Corkboard Insulation

for the Roofs of All Kinds of Buildings

When writing to ARMSTRONG CORK & INSULATION COMPANY please mention Nation's Business



# WORTHINGTON

## Meeting two extremes of service

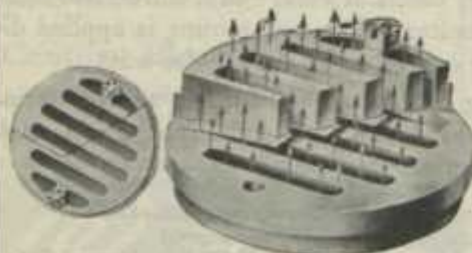
**I**N Seattle, Washington, the buildings of the Seattle Lighting Company and of the Pacific Nitrogen Company stand side by side. In the Pacific Nitrogen Company there are two four-stage Worthington nitrogen-hydrogen compressors, each having the small capacity of 326 cu. ft. per min. and each designed to operate at a pressure of 5000 lb. per sq. in. Next door in the plant of the Seattle Lighting Company is a Worthington 9393 cu. ft. per min., single-stage gas compressor designed to operate against the low pressure of 10 to 25 lb. per sq. in.

Both compressors are equipped with famous Worthington FEATHER (Reg. U. S. Pat. Off.) Valves which in the more than 12 years they have been on the market have never been surpassed for simplicity, responsiveness to the slightest changes in pressure and durability.

These two installations side by side on two extremes of service, are indicative of the widespread use of Worthington FEATHER Valve Compressors and of the completeness of the Worthington line.

Worthington equipment all over the world contributes much to the numerous industrial and transportation enterprises, that are responsible in a large measure for prosperity, comfort and conveniences in life.

In addition to compressors, Worthington manufactures pumps, steam condensing equipment, oil and gas engines and oil and water meters.



Details of the Worthington FEATHER Valve—the heart of Worthington compressors

WORTHINGTON PUMP AND MACHINERY CORPORATION

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BRANCH OFFICES IN 24 CITIES

# Success in U. S. Is No Secret

**T**HAT Europe is ready to take industrial lessons from the United States is attested by the visit of two young British engineers, Bertram Austin and W. Francis Lloyd, who came in quest of the secret of high wages in this country. The results of their observations at representative industrial cities have been presented in a little book, "The Secret of High Wages," published in England by Fisher and in the United States by Dodd, Mead and Company, New York.

For answer to the question of how America produces and markets her abounding wealth, the authors have provided a series of precepts, which they commend to their countrymen by way of giving a formula for prosperity.

## Mass Production Important

**P**ROMOTION in business and the control of enterprise should be by merit and capacity, they find, and point to the waste in the English system in which the son of the head of the business succeeds him regardless of fitness.

Mass production is necessary to sustained prosperity, they report, explaining that the proper goal of industry is a smaller percentage profit on a large turnover, and that an increased volume of trade allows capital to be economized.

Another cardinal principle is that active concern for the interests and welfare of the workers is a sound business policy, a conclusion which is amplified with saying that defining the need for giving the workers opportunity to collaborate in production, of seeing improvements suggested by their practical experience incorporated in the daily practice of their trades, and the financial incentive of greater reward for greater output.

Other precepts require that waste should be eliminated, knowledge pooled, and research developed. When reviewing these findings, the *Nation* and the *Athenaeum* gave its belief that—

Not everything in this little book will be accepted by all who read it—some economists will urge that far more of America's prosperity is due to the vast natural resources of the country. The moralist will question America's standards, the social worker will recall Sir Leo Chiozza Money's recent description of the drab meanness of many American industrial centers. But when every allowance and every deduction are made, there remains a residue of truth which we should well take to heart.

Rather more positive is the criticism provided by Dr. Gerald Scott, "a British economist of long experience in this country and in the United States," printed in the *London Review of Reviews*. Writing on "some forgotten truths," he contends that—

There is, unhappily, a widespread and increasing belief that some "secret" underlies every in-

dication of prosperity, national or individual prosperity. This is an especial weakness of the people of the United States. For such belief there are extenuating circumstances, but it results, nevertheless, in producing a swarm of charlatans who undertake to reveal the secrets of success, meaning thereby the accumulation of individual wealth. The amount of print and advertising devoted to this subject is simply appalling.

The report goes on to note certain other general principles of production, such as the advantage of increased total profit by reducing prices to the consumer and at the same time maintaining or improving the quality, resulting in increase in the volume of sales. Far from there being any novelty in this process it is an axiom of economics to be found in any textbook on that subject. The next observation is the self-evident fact that productive capacity per capita of labor can be increased without limit in proportion to progress in time and trouble-saving appliances, and further that rapidity of turnover makes for small capital requirements. The latter truism has been repeatedly set forth, notably, for instance, by William Whitely, of Westbourne Grove, forty years ago.

The commercial advantage of paying every possible attention to the welfare of employees is next noted. The efforts of Lord Leverhulme,

and the Cadburys and Rowntrees have long ago demonstrated this; and did not the Ministry of Health insist fifty years ago on conditions in the hopfields of Kent which have been quite recently so flagrantly violated in the United States as to cause riots?

It has been estimated that the ordinary American has the whole of his income mortgaged by instalment payments for house, furniture, automobile, gramophone, wireless apparatus and a great variety of other items for which clever salesmen have created a desire. He pays the house and automobile instalments, evades and delays the others and, in most cases, lets the doctor and grocer wait as long as they will. At the worst he can emigrate to another

state, with different laws, and start afresh without the delays incident to bankruptcy. It is estimated that 65 per cent of the population are in this position.

## Constitutional Guarantees

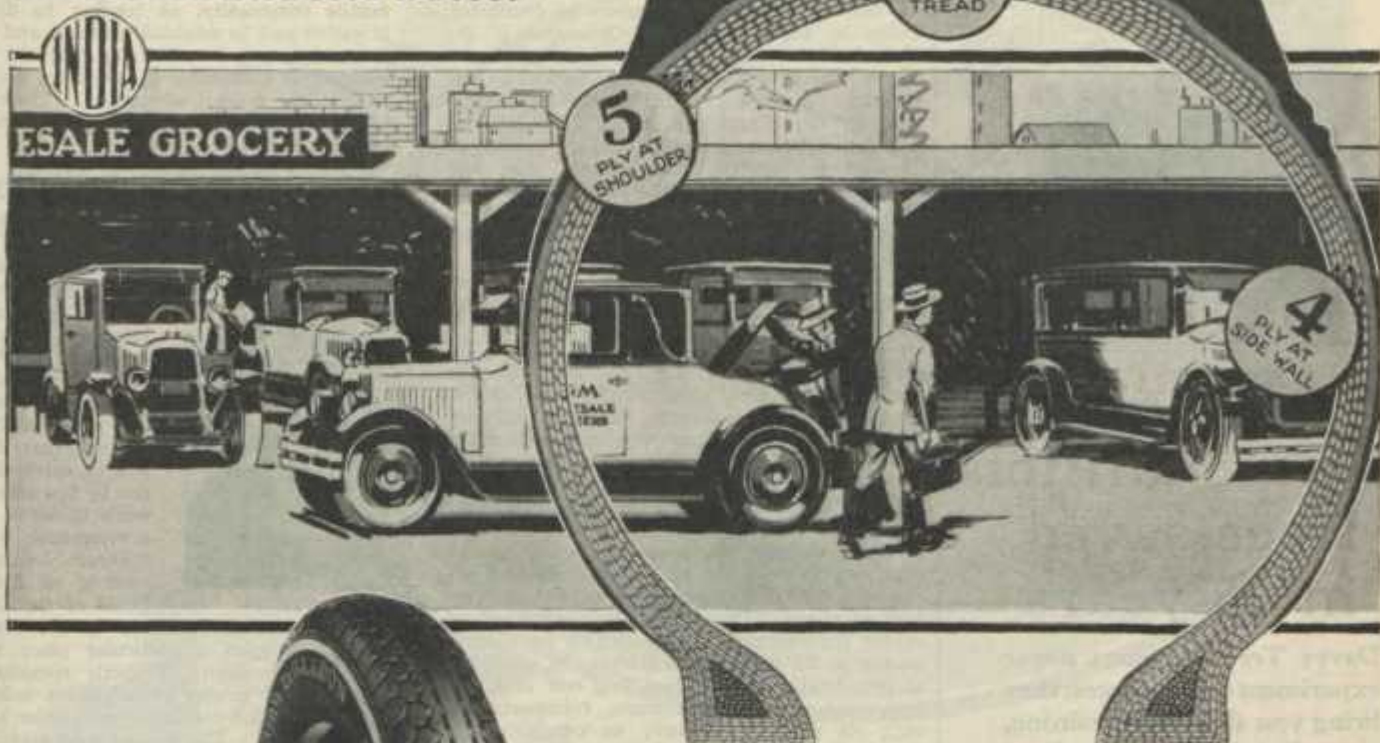
**W**HAT, then, is the true cause of American prosperity? The answer stares us in the face. Simply Article I (Section 10) and Article IV (Section 2) of the United States Constitution. The former provides against the levy of any customs duties by any one state against another, or the maintenance of any military force by any state, or the hindrance in any way whatever of absolute free trade between the several states. The other article provides that "the citizens of each state shall be entitled to all privileges and immunities of citizens in the several states."

Europe has reared and educated its sons and then supplied them gratis to America. Take away what has been given to this land by Germans, Russians, Italians, and Jews, and there would be little of the prosperity remaining.





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INDIA balloons better*



INDIA perfected and patented the balloon tire construction shown above—six plies of cord fabric at tread, five plies at shoulder, and four plies at sidewall, and most sizes of INDIA balloons are built in this manner. Only INDIA quality of materials, design and workmanship make such a balloon tire feasible.

INDIA also make four ply and six ply balloons in some sizes but recommend the exclusive INDIA construction as the ideal balloon tire—giving proper flexibility of sidewalls to stand constant flexing at high speeds and low pressures, with a tread to safely withstand punctures and give long wear.

So INDIA balloons give to car owners the utmost of beauty, comfort and uninterrupted mileage available in a balloon tire.

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# News of Organized Business

By ROBERT L. BARNES



Bark healing perfectly over Davy cement filling. An oak on the estate of Mr. R. T. Paine, II, Brookline, Mass.

## A half million trees saved in 25 years

**Davey Tree Surgeons never experiment on your trees; they bring you thorough training, proved methods, standardized practices, organization discipline, personal reliability and business stability**

Saving trees is both a business and a profession with Davey Tree Surgeons. It has taken 25 years to build this remarkable organization of nearly 700 trained men. Good men are carefully selected, the wrong kind are eliminated, and those who remain are thoroughly trained not only in the technique of correct Tree Surgery but also in the related sciences and professional ethics.

If you think of your trees as living things, if they are worth saving, they are worth proven Tree Surgery. Don't let any one experiment on them. The service of Davey Tree Surgeons is reasonable in cost—infinite less expensive than experiments.

These master Tree Surgeons live and work in your vicinity, are quickly available, and no carfare is charged.

### THE DAVEY TREE EXPERT CO., INC.

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Attach this coupon  
to your letterhead  
and mail today

Reg. U. S.  
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THE DAVEY TREE  
EXPERT CO., INC., JOHN DAVEY  
438 City Bank Bldg., Father of  
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Gentlemen: Without cost or obligation on my part, please have your local representative examine my trees and advise me as to their condition and needs.

THE CONFERENCE of the managers of industrial bureaus of chambers of commerce, called by the Chamber of Commerce of the United States, marks the beginning of a new era in the efforts of chambers to locate new industries in their communities. For the first time in the "factory grabbing" activities of American cities a group of trained specialists, engaged in industrial development, met and committed themselves to the principle of seeking only industries for which their cities offered opportunities for economical and profitable operation.

They agree that the uneconomically located factory is a loss both to those who have invested their money in the enterprise and to the community in which it is located. These industrial bureau managers are carrying this common-sense idea into practical application. That is the significance to American industry and to American community development of their work and of their conference, designed to broaden the scope of industrial bureau work of chambers of commerce, through interchange of experience.

The conference discussed community industrial surveys from the viewpoint of their bearing upon the determination of economical factory locations. These surveys are designed to enable the community to ascertain its natural resources; its industrial resources; its condition of industrial operation, including cost of labor, fuel, water power, materials, transportation, etc.; its social conditions; its conditions of trade; its financial conditions; its available factory sites.

Information such as this is drawn on in preparing briefs setting forth the facts for the particular industry on which the managers or promoters of the industry or branch plant must base the business judgment involved in selecting a location. These chamber of commerce industrial bureaus, it was evident from the conference, are in a position to furnish manufacturers seeking a location or a relocation with a confidential, authoritative and technical service. They have of interest not only their own communities but the industries which are considering their communities as a possible location. They want both to grow and to prosper. They realize that their communities must base their prosperity on profitable enterprises, and they are translating this realization into the items of costs which condition a profitable location.

### A Chamber in 1840

IN JANUARY, 1926, a statement was published from the Honolulu chamber, founded in 1850, claiming to be the oldest chamber west of the Mississippi. It now seems that on January 28, 1840, the Houston Chamber of Commerce received from the Congress of the Republic of Texas a charter issued by enactment entitled: "An Act To Create a Body Politic and Corporate To Be Known as the 'Houston Chamber of Commerce.'" The act was signed by men famous in Texas history: Mirabeau P. Lamar, president of the republic; David G. Burnet, president of the senate; and David S. Kaufman, speaker of the house of representatives. The present commercial organization of Houston, though, during the course of the years, it has twice changed its name, has continuously functioned as a direct and lineal descendant of the chamber of commerce chartered eighty-six years ago.

Section 1 of the Act, granting the charter, would indicate that different motives actuated the forming of chambers in 1840 from those that prevail today.

Whereas a large number of the merchants of the City of Houston have petitioned that a charter be granted them, creating a chamber of commerce, and have set forth that

such an institution is required by the mercantile community, as tending to diminish litigation and to establish uniform and equitable charges, and considering that the establishment of a chamber of commerce may thus tend to the general advantage of the citizens of this republic, as well as for the furtherance of its commercial interest.

### Direct Selling in Colonial Days

THE "DIRECT SELLERS" of Boston in colonial days felt the competition of retail stores so acutely that they petitioned the General Court of the colony to suppress retailers. This incident told by Wilbur H. Hyde, president of the National Association of Direct Sellers, suggests that the desire to solve difficulties by law instead of work is not a recent development.



Direct selling, according to Alvin B. Dodd of the Domestic Distribution Department of the National Chamber, occupies a particular place in the distribution problem. "Properly speaking and occupying your proper place" direct sellers do not compete with wholesalers, mail-order houses, chain stores, etc. The woman with a child and without the means of hiring a servant is relieved of a great burden by direct sellers. There are other illustrations of the place that direct selling fills in the distribution problem.

The meeting of the association was attended by about one hundred men representing one hundred and thirty-five concerns, who employ more than a hundred thousand salespeople. More than 50 per cent of those employed work full time.

### Insurance Facts

A BULLETIN published by the Insurance Department of the National Chamber for the use of business men and local chamber insurance committees is a study of life insurance for the business man.

One type of insurance policy will not meet the needs of every business man any more than one type of machinery will serve various kinds of manufacturing. Just as every business man analyzes his requirements prior to selecting a given machine, so he should study his insurance needs before selecting any policy. This is important in order that he might most efficiently use the services developed by insurance to meet the wide variety of corporate and individual requirements.

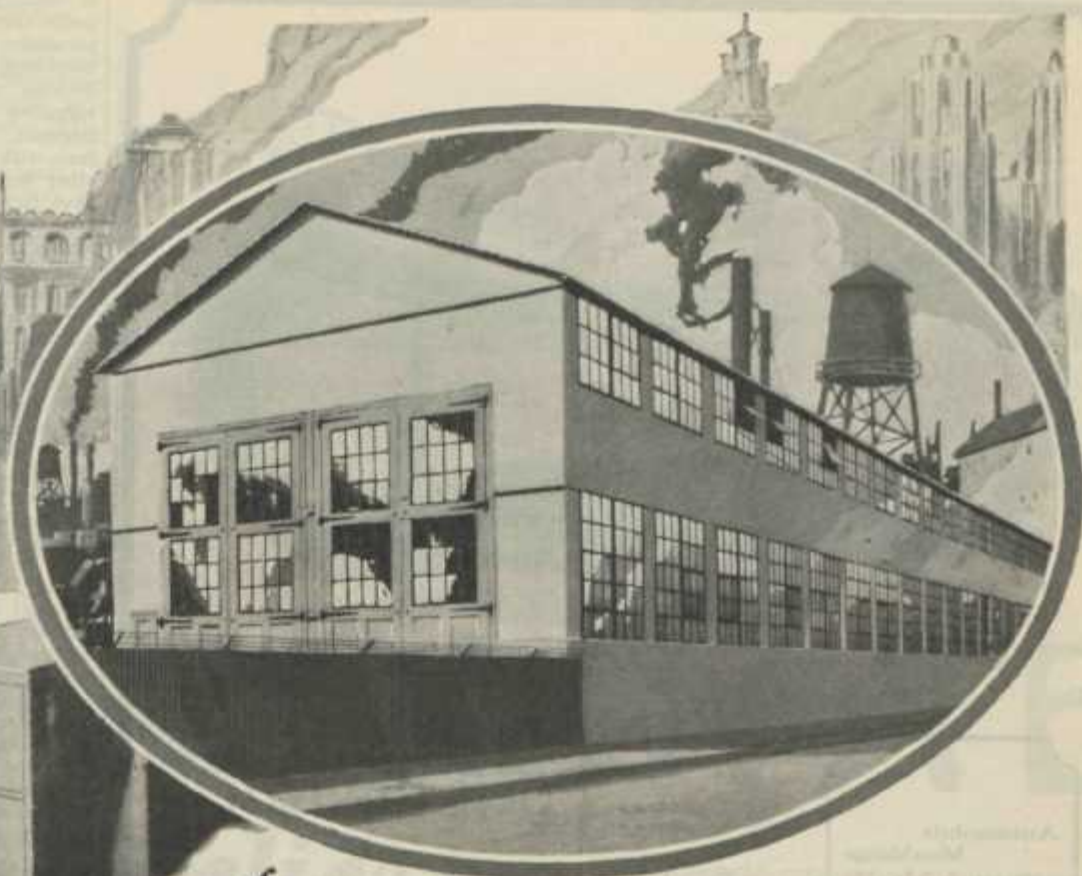
The bulletin describes the different types of insurance—term, ordinary life, limited-payment life and endowment. The uses of the different forms are well illustrated not only as regards personal but also for business safeguards.

### Municipal Tax Study Planned

THE Massachusetts State Chamber of Commerce has formed a Taxpayers' Conference Committee for the continuous coordinated study of the complex problems of municipal finance and taxation. The Conference Committee proposes to study: (1) Methods of Checking the Growth of Municipal Expenditures, (2) Providing a More Equitable Distribution of the Costs of Government, (3) Improving Methods of Procedure, and (4) Clarification and Systemization of Laws Relating to Taxation.

The agenda embrace a minute examination





## Shaped in Steel This Building Has Helped Reduce Fixed Charges

Many manufacturers are finding Sheet Steel the solution of their building problem.

Through the use of standardized units, Sheet Steel buildings can be arranged to provide any degree of flexibility demanded by growing plant requirements.

The investment in this type of construction is moderate so that it is not necessary for the engineer in designing the building to handicap himself by attempting to anticipate needs over a long period of years.

Sheet Steel is equally effective as equipment both for office and factory. It saves space, is fire-resistant and durably beautiful. For further information, address the SHEET STEEL TRADE EXTENSION COMMITTEE, OLIVER BUILDING, PITTSBURGH, PENN.



This trade-mark stenciled on galvanized Sheet Steel is definite insurance to the buyer that every sheet so branded is of prime quality—full weight for the gauge stamped on the sheet—never less than 25 gauge—and that the galvanizing is of full weight and quality established by the Sheet Steel Trade Extension Committee specification.

Sheet Steel provides better equipment, too—fire-resistant, efficient, space and labor saving, durably beautiful.

# SHEET STEEL

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## Refinements Sell the Car

Dahlstrom mouldings and pressed shapes serve so many purposes that cannot be enumerated in this limited space. They trim and adorn many makes of automobiles; they give to the interior of railway cars pleasing detail and design; they embody structural and architectural values for desks, tables, counters, signs, cabinets and special articles.

It will pay you to investigate the possibilities of Dahlstrom products as affecting your work.

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Shapes  
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Shapes for:  
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of municipal expenditures which are incurred under compulsion of state statutes and also by permissive law, extension of the budget system, borrowing in anticipation of taxes, possibility of devising new sources of revenue, improved valuation methods, more competent boards of assessors, coordination of Massachusetts tax laws with those of other states, and numerous other items. Municipal taxes in Massachusetts have increased since 1913 from \$77,332,339 to \$192,283,467 and are growing at the rate of ten to fifteen millions each year.

In its report issued June 1 the Conference Committee states that the continued growth of municipal taxation and the inequality in the distribution of the burden are among the most important problems of the present time. It declares that the tax laws of Massachusetts have been the result of gradual growth over a period of three hundred years in consequence of which the statutes are a hodge-podge and certain classes of property bear a disproportionate share of the burden without satisfactory means of equalizing it.

The Conference Committee therefore proposes its program of study as a means of establishing the entire municipal tax structure as a coherent whole, declaring that further patching will never accomplish the desired result. The organization of the Conference Committee and the determination of its agenda have resulted from nearly two years of careful study given to the subject by the taxation Committee of the Massachusetts State Chamber of Commerce. The program which has been proposed has met with approval, the Governor having announced his readiness to appoint a special state commission to cooperate in every way possible.

### Ceramic Research in Ohio

A PAMPHLET on ceramic education and research published by the Ceramic Industries of Ohio says that Ohio State University was the first college to give instruction in ceramic engineering, thirty-two years ago. Now, courses are being offered in many colleges and universities throughout the country. Ohio feels that in order not to lose the prestige of its leadership in the field of ceramic engineering it must broaden the scope of



its work at the University.

In discussing the proposed Department of Ceramic Art, the pamphlet states:

Supremacy in quality as well as quantity requires men trained to conceive in terms of product quality, shape, texture and decoration. It needs men having the combination art concept and technical knowledge of materials and processes. . . . When American producers will have convinced the public that their products are equal and superior to the foreign wares, America will get its rightful share of the vast sums of money now going to foreign manufacturers.

The local manufacturers and the School Board of East Liverpool established a department of ceramics in the high school. This and the department at Los Angeles are the first attempts to train that large body of youths who go no further than the high school in their formal education. Perhaps this training will produce a peer of Wedgwood.

### Ten Town Tests

THE "Kansas Municipalities" drew up a list of ten tests as those most pertinent to the question of what a stranger thinking of settling wants to know about a town. These were published in *Community Leadership*, a paper of the American City Bureau:

1. *Attractiveness*.—Is it a quiet, airy, well-lighted town with the beauty of shaded streets



and attractive houses and public buildings? Is it well paved?

2. *Healthfulness.*—How efficient are the milk and sanitary inspection, the health department, and the hospitals? Is the water supply pure, and have I and my family a reasonable chance of keeping well?

3. *Education.*—Are the public schools, libraries, lectures and concerts, newspapers and higher educational facilities up-to-date?

4. *People.*—Do the people indulge in religious, social or industrial prejudices? Do the people support artistic and educational programs? Where are the children—in schools or factories?

5. *Recreation.*—Are there theaters, parks, gymnasiums and museums? Are there active agencies providing good entertainment?

6. *Living.*—Can we live reasonably well in the town? Are there electricity, gas, telephones, good shopping conditions, good hotels and plentiful truck garden products available?

7. *Accessibility.*—Does the town have good roads and good train service?

8. *Business.*—Is there active cooperation between business interests? Can I make good use of my capital? Are there progressive banks and stores, a prosperous farming country near by, good shipping facilities, favorable labor conditions, and fair real estate values?

9. *Employment.*—Can I get a job in that town with fair pay and a good chance for advancement?

10. *Progressiveness.*—Is the town up-to-date in its civic consciousness? Has it adequate police and fire protection? Is it a town with a future?

#### Four Months' Excess of Imports

THE OUTSTANDING feature of our first four months' foreign trade in 1926 has been the excess of imports over exports, according to a publication of the Foreign Commerce Department of the National Chamber. The pamphlet further states:

An excess of imports for a month, a quarter, or even a year is not unknown in our foreign trade. Since July, 1866, in 194 out of 718 months, or more than one-fourth of the time, monthly imports have been larger than exports. However, in this period there have been only 11 years in which the total yearly trade showed an unfavorable balance, all occurring before 1894.

In the last 25 years an excess of imports in three successive months has occurred five times—in 1909, 1910, 1914, 1923 and 1926—one period (1914) even extending to five months and two (1923 and 1926) extending to four successive months.

A smaller United States grain crop, diminished demand from the European textile industry, and restricted buying generally in Europe all combined this year to curtail severely our exports of raw cotton, grains, and copper, a decrease which more than offset the splendid gains in our exports of numerous lines of American manufactures.

European buying of our exports was less by 28 per cent in value than in the corresponding period of 1925. Heavy rubber imports into the United States at the prevailing market prices resulted in placing British Malaya at the head of our import suppliers.

The data are based on the official statistics published by the Bureau of Foreign and Domestic Commerce, especially in the "Monthly Summary of Foreign Commerce of the United States," which are subject to revision.

#### Buying Power Fixes Wage Scale

THE MARKET basket is being used as the criterion by which the wages of the Philadelphia street car employees are determined. Thomas Mitten has inaugurated a new system by which the amount of food that the dollar will buy determines the wages of an employee. This is based on the idea that, whether prices rise or fall, wages will always be sufficient to maintain the present standard of living.

A number of baskets of food are made up



The largest clock in the world, atop the Colgate plant overlooking New York Harbor. It is 30 ft. in diameter; the hands and movement alone weigh 4 tons.

# COLGATE

ESTABLISHED 1806

## relies on MORSE CHAINS

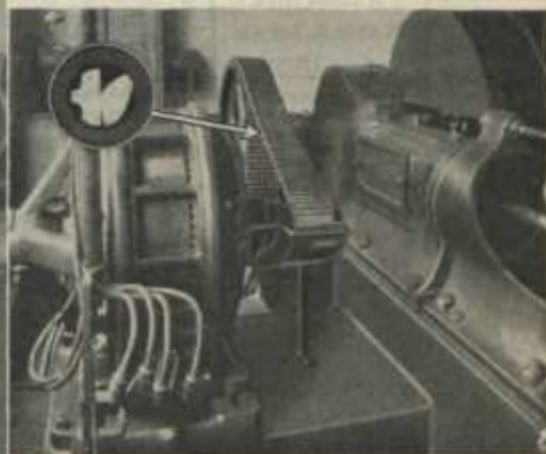
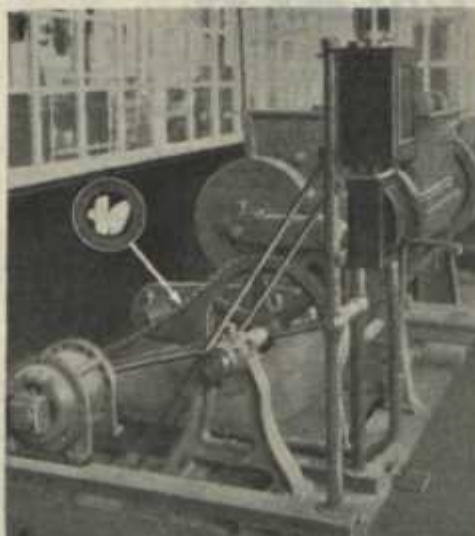
This world-renowned name stands for quality in toilet soaps, shaving soaps, dentifrices, toilet waters, perfumes, compacts, face creams, talc powders and hair preparations. But back of all this wide popularity of Colgate's products must be sound manufacturing principles and dependable plant equipment.

Day in and day out, soap mixers, conveyors, compressors and other machines in the Colgate plant are depending on Morse Silent Chain Drives for perfect action. Their reliability and efficiency in transmitting power plays an important part in the production of Colgate products. They are positive, flexible, durable.

Over 5,000,000 H.P. in use, one tenth to 5,000 H.P., 6,000 r.p.m. to 250 r.p.m. and slower, especially effective on short centers.

Below, 5 H.P. Morse Silent Chain Drive from motor to Day Imperial Soap Mixer, Colgate & Co., Jersey City, N. J. Driven, 825 r.p.m.; Driven, 160 r.p.m. Below at right, 35 H.P. Morse Silent Chain Drive from motor to Ammonia Compressor, Colgate & Co., Jersey City, N. J.

MORSE CHAIN CO.  
Ithaca, N. Y., U. S. A.







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It takes a foreign supply of cotton just short of a quarter of a billion dollars to feed the 6,200,000 spindles in the cotton spinning mills of France.

And American cotton exporters, competing in a sharply fluctuating market, require a prompt means of quoting prices. Radiograms direct to France are a speedy, accurate communication service.

Always mark your Radiograms

**"Via RCA"**

In New York, Boston or Washington, phone for an RCA messenger for speedy Radiogram service.

In other cities file Radiograms to Europe and South America at any Postal Telegraph office; to Japan, Hawaii and the Dutch East Indies at any Western Union office.

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	264 Fifth Avenue, Madison Square 6780		
	SAN FRANCISCO, 28 Geary Street, Garfield 4200		
	WASHINGTON, D. C., 1110 Connecticut Avenue, Main 7400		
	HONOLULU, T. H., 925 Fort Street		
CHICAGO.....	10 So. La Salle Street	PHILADELPHIA.....	35 South Third St.
BOSTON.....	109 Congress Street	CLEVELAND.....	1599 St. Clair Ave.
NEW ORLEANS.....	512 St. Peter Street	SEATTLE.....	511 Maritime Bldg.
BALTIMORE.....	Gay & Pratt Streets	GALVESTON.....	2820 Avenue D
NORFOLK, VA.....	220 Brewer Street	LOS ANGELES.....	453 So. Spring Street

of fixed contents, and the cost of filing these will be watched and form the basis of calculations. The system heretofore used was that the average pay of the employees in similar occupations in Detroit, Cleveland and Chicago was the basis for payment in Philadelphia.

### Nacos School Prospects Bright

THIS session of the NACOS summer school promises to be the most successful ever held. Already a preliminary canvass indicates an attendance of at least 125. Hugh Lynch, president of the 1925 student body, reports that most of last year's men will be back. The courses to be presented cover a wide range of subjects and offer the latest information.

The sessions of the school will be held at Northwestern University, Evanston, Illinois, August 16-28. Persons interested should address John N. Van der Vries, Secretary, Board of Managers, 1020 Metropolitan Building, 134 North LaSalle Street, Chicago, Illinois.

### "May I Have a Light?"

ANOTHER example of the tendency to form trade associations is illustrated by the discussion of the "Strike Anywhere" match manufacturers on the desirability of forming a trade association. This meeting, held at the National Chamber building in Washington, was attended by representatives of eleven large manufacturers, which is a large part of the trade.



Mr. McCullough, of the Department of Manufacture of the Chamber of Commerce of the United States, addressed the group on the desirability of forming an association. Mr. Colwell of the Department of Commerce spoke on simplification.

### Occupying Vacation Time

WITH the closing of the schools, 15,000,000 young people temporarily changed their occupation. What are they doing with their time? They go on learning throughout the summer, but what are they learning? That depends on what your city is doing to provide opportunity for the profitable investment of the time of that important section of your community, the young people. A fourth of every year in the most formative period of their lives should not be wasted in aimless loafing. It is a period during which habits of regularity, of application, of sustained effort, of self-control, acquired during the school year may be broken down if the opportunities the vacation gives are neglected.

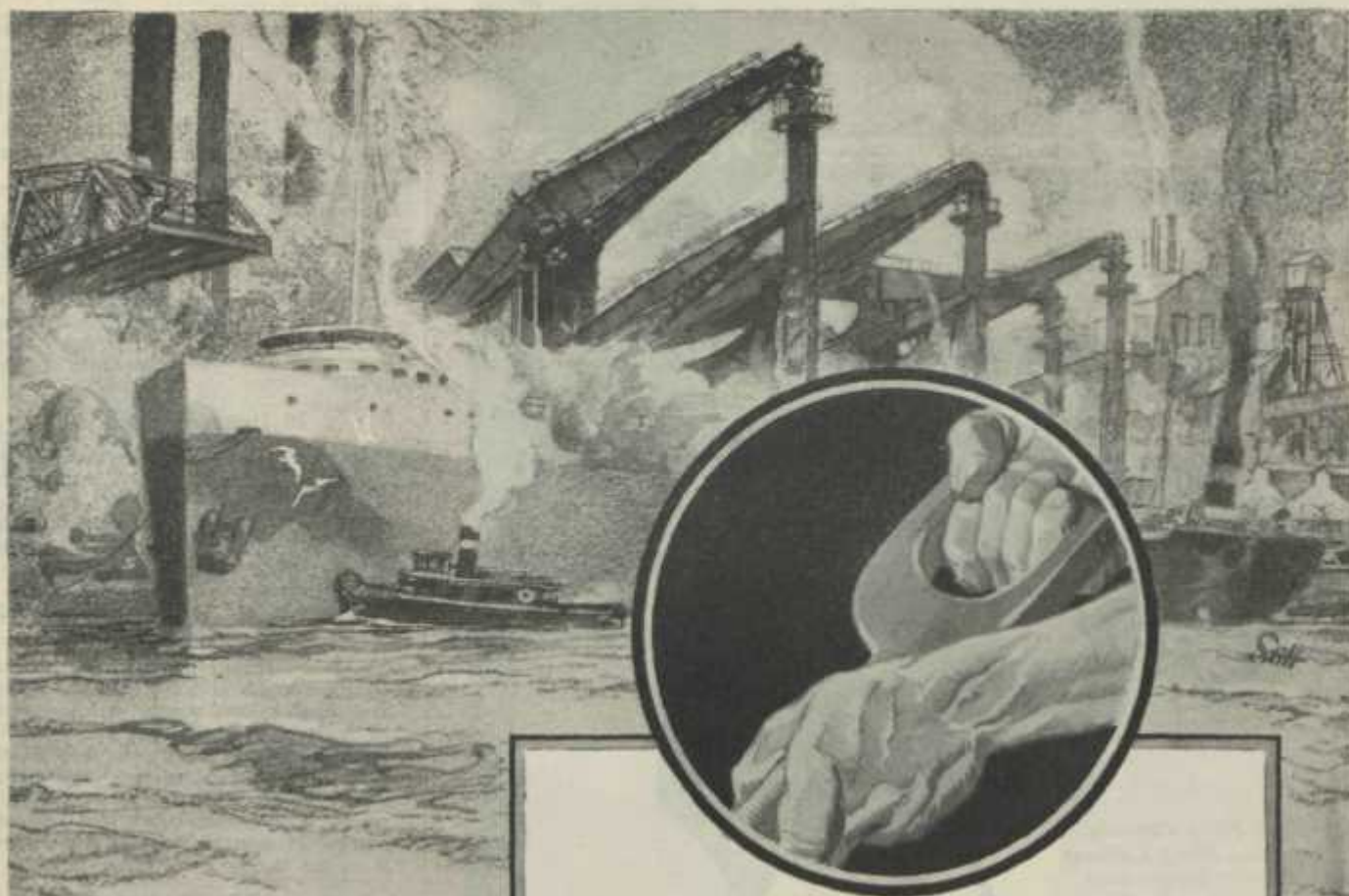
The normal child will benefit by some occupation of an educational value that gives a definite purpose to a part of each day. Many cities realize its importance, and organizations like the Rotary Club, Kiwanis Club, and others devote much of their energies to the proper solution of the problem.

Many chambers of commerce throughout the country have undertaken such work. Through their employment bureaus they seek to find jobs for those who desire or need them. The supervision and support of playgrounds, the establishment of summer camps and baseball leagues are other activities that tend to fill the time of the young people and help make them into useful citizens.

### To Aid Chamber's Work

THE KIWANIS CLUB of Jersey City adopted a resolution asserting "that upon civic matters involving the interests of business and professional men, as well as the community at large, Kiwanis can render the best service by serving on the various committees of the Jersey City Chamber of Commerce, thus bringing the combined strength of Kiwanis and





## The two hands of a workman

What the two hands of all the world's workmen could not achieve of themselves, G-E Motorized Power accomplishes for and with them. Two hands at the electric controllers of an ore unloader scoop twelve tons out of the hold of a ship at one bite.

With a mere gesture in the cab of a traveling crane, another pair of hands picks up a 150-ton locomotive. Still another pair of hands will start three dozen gangs of drills on their way through an engine casting, while again another pair controls a planer with the capacity of 10,000 manually operated files. And so it goes.

In the many industries where G-E Motorized Power has been installed, the capacity of the two hands of the workmen has been multiplied—for quantity, quality and low cost production. Such results constitute the true measure of the value of the investment in G-E Motorized Power.

G-E Motorized Power is more than a motor or its control—it is a practical and economical application of electric power. "Built-in" or connected to all types of industrial machines or household appliances, G-E Motorized Power provides lasting assurance that you have purchased the best.



**MOTORIZED POWER**  
*-fitted to every need*

# GENERAL ELECTRIC



From  
Steel  
Waste  
Basket  
to  
Filing  
Safe!

Unit Filing Cabinets  
Sectional Filing Cabinets  
Counter Height Files  
Underwriters' Steel Safes  
Sectional Steel Bookcases  
Steel Desks  
Card Index Cabinets  
Office Tables  
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Art Metal  
We have  
YOUR Office  
in mind

## THE most complete line of Steel Office Equipment—

THERE is a piece of Art Metal Steel Office Equipment to fit every requirement of every business—whether it be the mammoth corporation or the one-man office. Over 300 styles provide for every need in desks, filing devices, safes and steel shelving.

Made by the pioneer manufacturer of steel office equipment, Art Metal reflects the highest development in fashioning modern business furniture. Fire-resisting, sanitary, space-saving and durable, it assures a lifetime of satisfactory service.

Call at the Art Metal Store—inspect Art Metal Equipment. See how completely and economically it fits into the needs of YOUR business.

Send for a copy of the  
Art Metal Catalog

# Art Metal

STEEL Office Equipment, Safes and Files  
ART METAL CONSTRUCTION CO., - JAMESTOWN, N. Y.

organized business together in projecting these various civic matters and bringing them to a successful conclusion."

Such cooperation adds prestige both to the chamber and to the Kiwanis Club. Copies of the resolution may be obtained from the Jersey City Chamber of Commerce, 76 Montgomery Street, Jersey City, New Jersey.

### Two Interesting Luncheons at Kenton

THE Kenton (Ohio) Chamber of Commerce arranged two successful luncheons. One was given for the county newspaper men. It included the editors, advertising men and owners of all the dailies and weeklies in the county. The other was a post office luncheon to which all the post office officials, clerks and carriers were invited. After the latter luncheon, the business men were invited to inspect the post office.

### 26 Items Replace 805

SUBSTANTIAL savings are being effected in the meat packing industry through a central research laboratory established by the American Institute of Meat Packers. It is supported by members of the institute and eliminates the needless duplication of research work by individual companies.

According to Mr. Mayer, president of the institute:

The first steps in the extensive program of standardization of packing house equipment and supplies have resulted in the elimination of many unnecessary sizes and styles of the various commodities. In the simplification of eight items alone—lard cans, lard crates and export boxes, beef and pork trolleys, hand trucks, and sausage and lard cartons—the number of sizes and styles has been reduced from 805 to 26.

### Sunbury Fills Community Chest

DRIVE-WEARY business men of Sunbury, Penna., were given a treat this year by the local chamber of commerce. Instead of the time-worn device of raising money by "team work" and "personal solicitation" for the Community Chest, a mail campaign was inaugurated. The results show that the business men were appreciative of this consideration.

All the old dodges were eliminated. The luncheons with their traditional speeches advocating the obvious and hoping for the best, the "pep-songs" that didn't instill pep, the weary hours spent walking from office to office, often meeting with positive rudeness as an answer to the request that every citizen do his duty, the committee reports, and other annoying details, all were done away with.

Instead of this method of raising money, the Sunbury, Pennsylvania, Chamber of Commerce printed a two-page folder. The type used in it was large and readable. The opening paragraph stated that "it was not the intention to ask you to serve as a team worker for the Community Chest Campaign" and that the mail campaign had been adopted to avoid annoying business men. There followed then the budgets of the various participating organizations and a final suggestion that the success of the method depended on the liberality of the recipient who was asked only to contribute—not to serve as a solicitor.

On the coupon in the folder was written the amount that the business man had given last year.

This campaign was carried on at a saving of 75 per cent of the cost of last year's campaign and the amount raised was \$2,000 more than ever before. The salary of the professional director usually hired from outside, the cost of the extra clerical help needed, a large bill for printing and the cost of luncheons were all saved. This left more money to be used for the chest purposes.

It was possible by this means of raising the money to eliminate all the unpleasantness caused by the perfectly legitimate excuses of business men such as: "Some folks are always



asked and expected to do the job." "I must earn a living." "Percentage of expense is too great," etc.

The success of the campaign will prompt other cities to try the method and it is probable that it will meet with equal approval. The Sunbury Chamber of Commerce will undoubtedly be glad to furnish anyone interested with information about their experiment.

#### Celebrating 10,957 Years

THE TOLEDO Chamber of Commerce recently gave its third annual dinner in honor of the men who had worked for one concern more than twenty-five years. The number of years that the 347 men present had worked totaled 10,957. Three of the men there had worked for their firms more than fifty years.



At most of these dinners there is a button or badge distributed to the men who have served twenty-five years or more. The regard with which the men look on the buttons is well illustrated by this story of a mechanic who said to his superintendent:

"I wish you would give me one of those gold buttons. I know you gotta be here twenty-five years to get one, but I have been here twenty-one years and I promise I will stay four more."

Among the other chambers that have accorded a similar distinction to veteran workers are the Duluth, Minnesota, Trenton, and Fitchburg, Massachusetts, chambers.

#### Canton Honors New Citizens

THE Canton, Ohio, Chamber of Commerce recently assisted in staging a pageant in honor of 89 new citizens of the United States. The program consisted of two brief talks, music by two bands and a male chorus, a series of native folk dances in costume, and several tableaux of events in American history. About two hundred people participated in the program, which was organized by the cooperation of the Canton Chamber of Commerce, the American Legion, the Canton Public Evening School, the Daughters of the American Revolution, and the North East Branch of the V. M. C. A.

#### Chambers Provide Garden Service

THE ALBION, Michigan, Chamber provides a landscape garden service which takes the place of its former competition in home gardens. The service is available to all the citizens of Albion and farmers in the surrounding territory. Charges range upward from \$3, depending on the character of the service rendered.

The Claire, California, Chamber offered a similar service, but the Albion Chamber is one of the first, east of the Rockies, to provide it.

#### Coming Business Conventions

(From Information Available July 1)

Date	City	Organization
August 2	New York	American Steamship Owners Association.
5	Tacoma	National Lumber Manufacturers Association.
4-6	Philadelphia	National Cigar Box Manufacturers Association.
10-13	Philadelphia	American National Retail Jewelers Association.
10-13	Buffalo	International Apple Shippers Association.
10-13	Los Angeles	Retail Credit Men's National Association.
17-19	Cleveland	International Railway Master Blacksmiths Association.
17-19	New Orleans	Society of American Florists and Ornamental Horticulturists.
23-28	Philadelphia	American Dental Association.
23-28	Chicago	Photographers Association of America.

Conventions for which either the date or the place were not available: American Cranberry Growers Association; Retail Millinery Association of America; Rim Manufacturers Club.

# American Blower

MANUFACTURERS OF ALL TYPES OF AIR HANDLING EQUIPMENT SINCE 1881

Heating.  
Ventilating.  
Mechanical-  
Draft  
Equipment

## After all - no product is better than the organization behind it ~

American Blower Company Detroit - U.S.A.

Photograph Shows Large Disc Fan for Use on Cooling Towers

When writing to AMERICAN BLOWER COMPANY please mention Nation's Business



## OAKLAND and Alameda County CALIFORNIA



### "How is that for wonderful country,

Jim? Orchard and grain land for mile after mile, all contributing to the general prosperity of northern California. You saw the San Joaquin Valley on our trip back from San Diego and Los Angeles—now you are seeing the Sacramento Valley. "Think of what this rich territory means as an immediate market, with a million and a half people within a 40-mile radius of San Francisco and Oakland. San Francisco, though the oldest city on the Pacific Coast and an established center, is showing most remarkable growth in many ways, and the natural resources of northern California are, in a large measure, responsible for this growth.

"I know you will enjoy our stay in Portland, and we must take in the Columbia River drive. When you have seen Seattle, Tacoma, the Puget Sound Country, and Spokane, you will have seen what we call the 'Pacific Coast Empire', the greatest country there is in these United States.

"Every business man interested in Western trade should make the trip from San Diego to Seattle."

A technical, industrial report will be prepared for any industry interested in a Pacific Coast location.

Write Industrial Department  
Chamber of Commerce

## OAKLAND CALIFORNIA

"Industrial Capital of the West"

## Chips from the Editor's Work Bench

WITH INDUSTRIAL research giving the world new wonder on new wonder, belief that the cycle of accumulation and dissipation of a family fortune is run from shirt sleeves to shirt sleeves in three generations should be amended. For if there must be spendthrifts three generations beyond the rising one, the substance of their shirt sleeves may be as changed as their family fortune. Wood, perhaps, or it may well be something else. The answer is in some chemist's test tubes.

Research is curious and diligent, and it shakes down strange things to revise whole industries and old ways of living and doing. Even a synthetic fortune to rehabilitate that future spendthrift is not too much to expect from the magical sleeve of science.

BY FAR the most important customers for American safety razors and razor blades are the United Kingdom and the Irish Free State. Together, in 1925, they bought 56 per cent of our exports of razors, and 45 per cent of our exports of blades. In the total exports of cutlery, valued at



\$13,000,000, safety razors accounted for one-tenth, and blades for two-thirds of the amount. France and Germany are active consumers of American safety razors and blades, despite the vigorous competition of German manufacturers.

In the cutlery trade keen competition is a reasonable expectation, though the government figures suggest that the making of excellent goods is half their profitable delivery. Like as not, someone already has found a way to carry coals to Newcastle and cutlery to Sheffield.

FROM the Far East comes good report of the increasing use of the motor bus for transporting passengers and freight over the Arabian desert. On the old route from Jerusalem to Jericho, and to the Temple of Heaven in Peking buses now run on fairly regular schedules. This is the word passed by H. C. Schuette of the Automotive Division, the Department of Commerce.

In the roll of cities now served with bus lines are names hallowed with song and story—Rangoon, Mandalay, Cairo, Alexandria, Casablanca . . . and on the Sahara where once only the plodding feet of camels shifted the desert sands, busy wheels of motor buses now roll in competition with the caravans. According to Mr. Schuette's informants, 17,000 buses are now operating in Asia, Africa, and Oceania. A usual combination in the Far East is an American-made chassis and body built locally. About three-fourths of the chassis in use were made in America.

Granted that East and West are what Mr. Kipling said of them, the Orient's acceptance of the motor bus is an illuminating sign of the times. The wheels of progress are turning in the ancient East, and there is

small semblance of the showy car of Juggernaut in the businesslike vehicles powered with engines made in these States. The motor bus is there to bestow the blessings of modern transportation without exacting fanatical sacrifice to propitiate the god in the machine.

IN SEVERAL countries family allowances have been provided in collective agreements between employers and employees, Germany, Czecho-Slovakia, the Netherlands, Poland, and Sweden having adopted provisions of that sort. In other countries funds have been established for pooling the costs of family allowances among groups of employers and the prevention of discrimination in employment against workers with family responsibilities, France giving a notable illustration of this type with the establishment of 175 funds.

A study of these family allowance systems made by the Bureau of Labor Statistics revealed the fact that twenty-two European countries pay family allowances in the civil service, and that in eighteen countries family allowances to supplement basic wages have been paid in private industry, though this practice is now declining.

Comments on the question of family allowances, the bulletin shows, range from drastic criticism to the most extreme approval, and include the viewpoints of ministers of finance and of labor, members of industrial arbitration courts, officials of national amalgamations of employers' associations, and of federated trade unions.

Experiments abroad with family allowances have affected millions of workers, the bulletin notes. In this country family allowances are no novelty, except that over here praise and blame for the size of the allowance are usually referred directly to "the good provider."

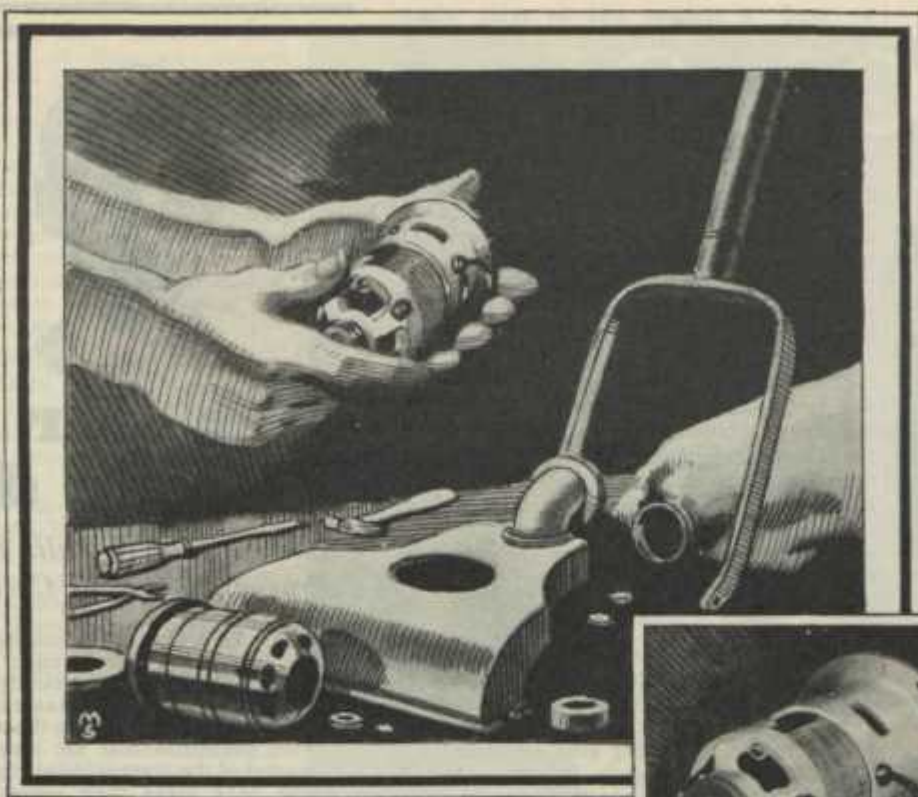
FOR AN adequate explanation of America's prosperity, Dr. Reinhold Niebuhr believes that the factor of religion must be examined, an aspect, which, he says, has hitherto hardly been noted in the study of economic life. This minister of an evangelical church in Detroit contributes a reasoned discussion of "Puritanism and Prosperity" to the *Atlantic Monthly* in which he suggests the significance of the religious factor with saying that—

America is the only nation of the western world that developed the new attitude toward business totally unhampered by religious and moral traditions which date back to mediaeval and classical antiquity. Completely emancipated from these ancient scruples against business enterprise, we have been able to give ourselves to commercial and industrial tasks with a passion unknown to Europe. . . . Our Puritan virtues have lifted us to power and privilege, but they lack the social imagination to guide us in the use of our power, and they are wanting in the cultural assets to prompt us to a right use of our privileges. Our Babbitry is in reality Puritanism gone to seed. . . .

American business life has been dominated for a few generations by these Puritan pagans, who knew how to combine a meticulous private morality with an unashamed passion for profit and power. . . .

His conclusion is that the old Puritanism has developed a hypocrisy that is producing a reaction of cynicism among the critics of American civilization, for "cynicism is an inevitable reaction to hypocrisy," and that





# None is "Jack of all Trades," Each is Master of One

No electric motor can successfully play the role of "jack of all trades"—serving a wide variety of appliances equally well.

Knowing this, the Domestic Electric Company has never attempted to cover all industrial applications with a line of "general utility" motors. Instead, we have concentrated upon a few types which give the widest possible range of use to the appliances for which they are designed, and which can be put on a volume production basis in fractional horsepower sizes.

Every Domestic Electric motor is a *special* motor—specially designed after an intimate study of the one appliance it is to serve, specially manufactured to meet every possible demand that will be made

upon it, specially tested under the conditions of service to which it must conform.

Only because they are so designed and so built, can Domestic Electric motors deliver the unusual type of service they are today giving to thousands upon thousands of industrial, commercial and household users. The advantages of Domestic's "special" manufacturing policy are quickly evident in higher efficiency, lower service cost and longer life.

The time and experience of Domestic Electric engineers are available to any manufacturer for a survey of his specific production problems. Call upon us for practical recommendations—either for the motorization of non-motorized equipment or for the improvement of equipment now motor-driven.

THE DOMESTIC ELECTRIC COMPANY, CLEVELAND, OHIO

*Manufacturers of fractional horsepower motors exclusively.*

# Domestic Electric Motors

*When writing to THE DOMESTIC ELECTRIC COMPANY please mention Nation's Business*

(76)

CLIP THIS COUPON AND SEND IT

NAME \_\_\_\_\_ STREET \_\_\_\_\_ CITY \_\_\_\_\_

The Domestic Electric Company  
Cleveland, O.

(76)





## N-O-W

### Every Industrial Institution can paint its property this quick and Easy Way

"SPRAY-PAINT—one man with a Binks portable Spray outfit can do the work of five men with hand brushing and do a more thorough job of it. You can transform dark shops and offices into light, sanitary workrooms at a low cost. Let brightened court walls and elevator shafts reflect light in place of gloomy shadows.

### Any Workman Can Operate a BINKS PORTABLE SPRAY OUTFIT

—and the cost is nominal. If you own or operate industrial buildings or equipment look into "Spray-Painting." Binks Equipment costs too little to be without and saves enough to make your small investment pay for itself at once.

Once you employ a Binks Portable Spray Outfit to reduce the maintenance cost of your property and factory equipment, your investment is made for all time. There is nothing to replace—no brushes to wear out. All you need is paint. The Binks Spray Gun takes all paints and finishing coats from light stains to heavy lead, oil and aluminum paints.

Write for interesting Bulletin on industrial maintenance—the plain facts will prove interesting and worthwhile. Write today.

# BINKS

SPRAY  
EQUIPMENT  
COMPANY

Dept. H. 3128 Carroll Avenue Chicago, Ill.

Offices in Principal Cities

The World's Largest manufacturers of Industrial Spraying Equipment

we need "a religion and an ethic which knows how to deal with greed as well as with dishonesty . . ." By another hand it is also written that "the Puritan minister who led his brethren in worship on the Sabbath and skun them at horse-trading between times set an example that has brought prosperity to the descendants of his flock." If that commentary tends to raise suspicion that the need defined by Dr. Niebuhr is not original with our own times, there is still appreciative conviction that it has received a new force and freshness of expression from his nimble pen.

ALTHOUGH most stage business is never just what it seems, a playwright has let out the professional secret that the roar of the "mob" off stage is merely "rhubarb" mumbled and muttered over and over. Well, if we must be gulled and tricked in the theater, there would seem more propriety and purpose at times could the phantom crowd make its play on the sound of "apple-sauce."

FORTY-ONE factories engaged primarily in the manufacture of chewing gum reported that their products in 1925 were valued at \$47,838,000, says the Department of Commerce. Chewing gum accounted for \$47,124,000 of the total, and "breathlets," candy, and vending machines for the remainder. The figures obtained in the biennial census of manufactures show that from 1923 to 1925 the number of factories decreased by four.

Of the plants reporting for 1925, eight were located in New York, five in Illinois, four each in New Jersey and Ohio, three in California, two each in Kentucky, Massachusetts, Missouri, Pennsylvania, and Tennessee, and one each in Delaware, Indiana, Maine, Michigan, Rhode Island, Texas and Virginia.

This census is informative, of course, but



it doesn't go far enough. A census of gum chewers would do more to tone down tall talk over that question of harnessing the nation's maxillary power. For putting an impediment in loose speech nothing is surer than a local application of high-proof statistics—a sort of figurative cud for mediation, rather than for mastication.

INTERPRETATIONS of "liberty" are as many and as various as the interpreters. To Henry W. Farnham, professor emeritus of Yale University, the true test of every law that restricts or infringes personal "liberty" is "whether it makes for liberty in the larger or real sense," and not that it may happen to suit the personal convenience of the individual. To the Puritans, "liberty" meant freedom of worship, but to some of their descendants it means "freedom to buy a cocktail." Writing on "Law, Liberty, and Progress," in the *Yale Review*, Professor Farnham contends that

Many doctrines come to be used in a sense quite foreign to the ideas of those who orig-



## Henry Ford

### His New Book Tells How Prosperity Can be Created

Henry Ford, in his new book that he has written in collaboration with Samuel Crowther, tells frankly and clearly how and what he has learned in building and managing the allied Ford industries that are now the marvel of the present industrial age and have made their owner the wealthiest man in the world. Mr. Ford shows, among other things, how he has eliminated tremendous wastage in storage, spent millions to save a few minutes' time and earned more millions as a result and how he has made a complete change in manufacturing methods so that no process is now used in the Ford plant that was in use before 1922. He makes amazing revelations of the secrets behind the success of the Ford organization . . . outlining policies that can be applied to any business in the country. His experiences alone embrace most fields of industrial activity. Requiring a constant flow of raw materials the Ford Company has had to reach out into many fields. They now manufacture one fourth the plate glass produced in America, have vast mining interests, lake and ocean steamship lines, radio and aeroplane communication between the 80 Ford plants, operate railroads . . . and in all are engaged in over fifty different industries. To each of these activities, Mr. Ford has applied the same principles upon which he has built his main business, and from this vast laboratory of experience he has drawn the materials for his book. He goes beyond his personal story and forecasts for the future, he shows a perfected industry can be evolved which automatically creates its own market. In short, he has written a work that Arthur Brisbane says that you should read, "if you want to get rich and stay rich."



TODAY AND TOMORROW, by Henry Ford, in collaboration with Samuel Crowther, has just been placed on sale in all bookstores. The price is \$3.50. If your bookseller hasn't a copy, send to the publishers (price \$3.50 plus 10c postage), Doubleday, Page & Co., Garden City, New York. Address Dept. N.R.



inated them. "Laissez faire" was in the early days the watchword of those who favored progress in opposition to vested interests. At present it has its most vociferous disciples among the spokesmen of the vested interests that, having profited by the legislation of the past, now say, "Hands off." The modern liberal is often liberal only to himself. He is sometimes a conservative motoring under last year's number plate. His party name, like the gaudy labels which cover his baggage on his return from his annual trips to Europe, records not the place to which he is going, but the places which he has left behind. . . .

The Constitution was not adopted to secure absolute liberty, Professor Farnham writes, but rather to secure "the blessings of liberty," and that "if liberty is to be a blessing and not a curse, it must be a liberty which subserves not the crude egotism of the individual, but the 'general welfare.'"

Though he ranges himself at the outset with "those who say that we have too many laws, both state and national," he believes that legislation is needed because social inhibitions are not developed or enforced in time to check evils—"mankind has never had, and probably never will show such foresight," he thinks.

Active concern for the good of the order is always a measure of good citizenship. The determination of liberty, of course, gets down to a determination of what is best for the "general welfare," and so to revisions of liberty by laws—a matter primarily of their quality, rather than of their quantity—a matter which should give no ground for exclaiming, "O Liberty! Liberty! how many laws are enacted in thy name!"

THE ANCIENT business of raising and selling turkeys has come to a new level of public interest with the announcement that the Lightner Publishing Corporation of Chicago will publish *The Turkey World*. This magazine, so the report goes, will be concerned with all branches of the industry.

It is true that the flower and chivalry of the gobble world have been butchered early and late to make an American holiday, but it is equally true that their undying fame is annually attested with a flood of quotations from Thanksgiving prose and verse. Now, if there is anything in a name, *The Turkey World* will yield a welcome store of fresh quotations on the worth of the great American bird, though talking turkey gives promise of getting the editors into a way of fowl play with their figures.

A SUGGESTIVE relation between solar radiation and the postal revenues has been observed and charted by Francis P. Sullivan, comptroller of the Post Office Department. His researches for explanation of the apparent connection tend to refute the accepted belief that postal receipts in volume accurately gauge business conditions, he explains, though he has found evidence that the percentage of increase or decrease in postal revenues so closely parallels general business conditions that "good" times and "bad" times are fairly determinable.

In his report of his study, the similarity of the fluctuations of solar radiations and of the postal revenues is cited as an interesting discovery, and not as an established premise for basing definite conclusions. "A low point of solar radiation rate values coincided with a high point in other values for the year ended March 31, 1923," he explains, "and a high point of solar radiation rate values corresponds to a low point in bank debits and crude steel orders in the year

# 40-40-20

REGISTERED TRADE MARK OF THE NEW JERSEY ZINC CO.



## Is the paint you use tested for durability?

40-40-20 was discovered after many years of careful research in the laboratories of The New Jersey Zinc Company. Now more than ninety paint manufacturers have been authorized to use the 40-40-20 trade-mark. It distinguishes paint made from The New Jersey Zinc Company's specified products and according to the formula it has developed and perfected.

When you want an outside paint, you want a paint that is long-wearing—a paint that covers well, has great hiding power, is not expensive, and remains an efficient protection to the surface it covers.

40-40-20 is that kind of paint. If you paint white you will find that 40-40-20 is brilliantly white when first applied, and stays brilliantly white for years. 40-40-20 is also made in many beautiful tints, all durable and color-fast as long as good paint can last.

Ask your painter or paint dealer about 40-40-20. It costs no more than other good paint. The complete story of 40-40-20 is given in our booklet "When White is White." Write for it and then see that you get genuine 40-40-20.



The New Jersey Zinc Co.  
160 FRONT STREET  
New York City





# Associated Gas and Electric System

Founded in 1852

## Growth in Customers

The electric light and power business has been one of the most rapidly growing industries in America. The kilowatt output has practically doubled every five years during the past quarter of a century.

From 1920 to 1925 the number of electric customers in the United States as a whole increased on the average 10.9% annually. During the same period, however, the number of electric customers of the Associated System increased 13.4% or nearly one-fourth more rapidly than that of the industry as a whole.

There has also been a substantial growth in the use of gas, particularly for industrial purposes. From 1920 to 1925 the average annual increase in the number of gas customers of the Associated System has been 3.3%, which is practically identical with that of the industry as a whole.

Approximately 84% of the net operating revenue of the Associated System is derived from electricity. The satisfactory growth in the number of customers reflects the well-established character of the communities served and the effective manner in which the management has been able to meet the increased demands for service.

For information concerning facilities and securities of the

## Associated Gas and Electric Company

Write to its subsidiary and ask for our booklet,  
"Interesting Facts"

Associated Gas and Electric Securities Company

Incorporated

61 Broadway

New York



## "The Sunshine Belt to the Orient"



A Sacred Bronze Ox—China

## This World Trip for \$11.37 per day

Including first cabin accommodations and meals aboard a palatial President Liner

Go ROUND the World for about what it costs you to live at home. Visit 22 ports in 14 countries. See strange peoples, age-old customs, architecture, ancient civilizations. Shop in quaint bazars. 110 days of glorious adventure.

\$11.37 per day includes this wonderful trip and your meals and berth aboard a magnificent liner. Outside rooms luxuriously appointed. A world famous cuisine.

Ask for complete information from any ticket or tourist agent or directly from us.

## Dollar Steamship Line

Robert Dollar Building, San Francisco  
604 Fifth Avenue, New York  
25 Broadway, New York



## Factory costs are lower in OAKLAND

**E**XCEPTIONALLY high type labor... perfect working climate... these are the chief reasons.

Records of a great electrical equipment company covering 12 years showed manufacturing costs are decidedly lower in their Oakland plant than in any of their eight other factory branches.

Economical production is but one of the reasons why many Eastern manufacturers have agreed that... "in the West, Oakland is the place to start."

We can give you authentic and confidential information about this city and its possibilities.

## The Oakland Bank

12th & Broadway, Oakland, Calif.

45-826

ended June 30, 1924, followed at short intervals by low points in newspaper advertisement and postal revenues."

Although it has been usual to attribute fluctuations in postal revenues largely to general business conditions, Mr. Sullivan declares that "a comparison of the volume of postal revenues with the volume of those classes of current business which are commonly taken as indicating the trend of business in general does not disclose any very apparent relationship between them."

A commentary so unorthodox and so contentious as Mr. Sullivan has so thoughtfully provided is well calculated to invite the earnest consideration of economists and of business analysts, though its discussion may easily develop more of heat than of light.

**A**BRIEF for the so-called "roadless" vehicle is presented by Col. J. F. C. Fuller, a British war veteran, in a little book, "Pegasus or Problems of Transportation," published by E. P. Dutton & Company, New York. His thesis is that the quicker and the more adequate transportation is, the sooner excess populations can be moved into unpopulated spaces for their development and settlement.

"As the war was so largely won by the tank," he writes, "so must the peace which has followed it be largely won by the caterpillar tractor or roadless vehicle," and he is sure that without considering England's immense colonial possessions, "the potential wealth of the Dominions alone should eventually be sufficient to support certainly one if not two hundred millions of Englishmen."

In the colonel's scheme of transportation important places are reserved for the steamship, the railway, and the motor vehicle, and of all motor vehicles he considers the "roadless" type the most useful, for "it does not require a road to move along, or a well at which to seek refreshments. It carries its own roadway, and its own water supply, and, if necessary, water for man and beast in districts where water is scarce"—it could take a man to his work, and his products to



market in less time than the motor truck operating on a "metal" or hard dirt road, and at a lower cost per ton-mile, he reasons. To his mind,

The crucial problem today is movement in all its forms. If tomorrow you can move twice the speed you can today, you will have twice the time at your disposal to work in. It is not gold standards and other such humbug which produces wealth, it is work; and if, tomorrow, you have twice as much time to work in as you have today, your existing wealth will be doubled.

From this statement of the problem Colonel Fuller pleads earnestly for the development of efficient types of "cross country machines." Practical-minded as this British staff officer must be, he makes a ready tool of fancy and brings a spirited eloquence to hold up the light of reason. If "Pegasus" does not add to the reader's knowledge, it





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25.00	49.10
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24.00	144.00
40.00	104.00
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Consistent investment of a part of your current earnings in good bonds will enable you to build up a second income from accumulated earnings, a permanent income which will carry on after your own personal earnings cease.

To assist you in fitting suitable bonds into such a broad investment plan, we maintain offices in fifty leading cities in the United States and Canada. Our experienced representatives will gladly analyze your needs and make recommendations.

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SHORT TERM NOTES

### ECONOMY LIFTERS

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### Successful Executive

Knows Business Finance  
Sales, Purchases  
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will at least give him the occasion to consider.

**PROPHETS** there are who profess to see the day when all the services required for housekeeping will be provided from within. To these forward lookers iceless refrigerators, refuse incinerators, and coalless heating plants will be a usual household equipment.

That is a long view and it reserves no place for the ice man, the garbage man, or the coal man.

If the industrial seers really have something on the future, as they report, the world's back doors may some day stop swinging to admit the workaday servitors and scavengers familiar in these times. But even though the back door should lose its business character, no later civilization is likely to forego its comfort and convenience as a dependable emergency exit.

**POSSIBLY** not every one of the country's seven million dogs will have to have his day in August, but there is some creature comfort in this sultry season in figuring whether the production of cork stoppers and bottle closures will pop above the six-million-dollar total of last year.

**WORKERS'** education, distinguished from education for workers, is frankly appraised by William E. Zuech, educational director of Commonwealth College, Mena, Arkansas, with saying that "too often today workers' education is nothing but propaganda in its rankest and rawest form." In his comments on ideals and aims in education, printed in the *Commonwealth College Fortnightly*, he says:

The difference between propaganda and "education for workers" is the difference between faith and science, between the blind acceptance of a set of formulas and the experimental approach to all personal and social problems.

\* \* \*

We must realize that the future belongs to the technicians—to the human and mechanical engineers. The human race will forge ahead on the basis of scientific data. The workers will come into their own by producing their own technicians.

They will not go far by demagogic or revival methods. Modern institutions and the social processes are too complex to be jazzed forward.

This prophetic commentary is a timely variation of the grim reminder that "civilization is a race between education and catastrophe." Certainly it is reasonable to believe that the increasing contacts of men and women in industry with professional scientists will help to exorcise the purely propagandist and unscientific spirit of their education.

**AMERICAN-MADE** hosiery shipped abroad in 1925, chiefly to Great Britain, was valued at \$27,000,000, reports the watchful Department of Commerce. This figurative footnote is fresh evidence that a good many American business men are actively working for a better understanding of Europe.

**FROM** the scholarly Department of Agriculture comes the glad word that the foot-and-mouth disease has been eradicated from the United States. That ought to silence those alarmists who wanted the quarantine enforced through the political campaigning.



## Government Aids to Business

Reports of government tests, investigations and researches included in this department are available (for purchase or free distribution) only when a definite statement to that effect is made. When publications are obtainable, the title or serial number, the source, and the purchase price are included in the item.

CONSIDERABLE EXPANSION in the peach-growing industry during the last five years is reported by the Department of Agriculture in the

### Peach Industry Has Grown in Last Five Years

course of a survey of the business, made in cooperation with agricultural colleges and other local organizations in twenty-six producing states.

The results of this survey will be published in three parts. Part I, now ready for distribution, discloses that improved methods of transportation and distribution have made the peach industry national in scope, and that growers must keep informed of changes in competing districts throughout the country, as well as on problems of marketing and local production, if the business is to be maintained on a sound economic foundation.

Part II will present information on the cost of developing orchards and the cost of producing peaches.

Part III will give the results of a peach-tree survey by age and variety, and the per cent of merchantable crop in 1924 shipped by rail or water, the per cent sold locally or trucked to market, and the per cent consumed on farms or not marketed.

Applications for this report should be made to the Department of Agriculture, Washington, D. C.

GOVERNMENT STANDARDS for grades of beef have been established by the Department of Agriculture, effective July 1, 1926, through an order signed by the Secretary of Agriculture, June 3.

### Beef Standards Fixed; Other Meats Graded

Beef includes five classes: Steer beef, heifer beef, cow beef, bull beef, and stag beef. Standards are provided for each of seven grades.

The system of standardized grades for dressed meats, of which the grades for carcass beef are a part, has been used continuously by the Bureau of Agricultural Economics in its wholesale meat market reporting service since February, 1917.

This system has also been applied to the grading of millions of pounds of meat for the United States Lines, many independent steamship lines, and other commercial interests, as well as by the purchasing departments of numerous public institutions.

Rules and regulations for the grading of other meats and meat food products have also been approved by the Secretary of Agriculture, effective July 1.

Boston, New York, Philadelphia, Baltimore, Washington, Norfolk, Chicago, and San Francisco are designated as central markets where the grading service is available. Other central markets will be designated by the Secretary. The grading service is provided at a nominal charge and is available on application.

Copies of the regulations may be obtained from the Department of Agriculture, Washington, D. C.

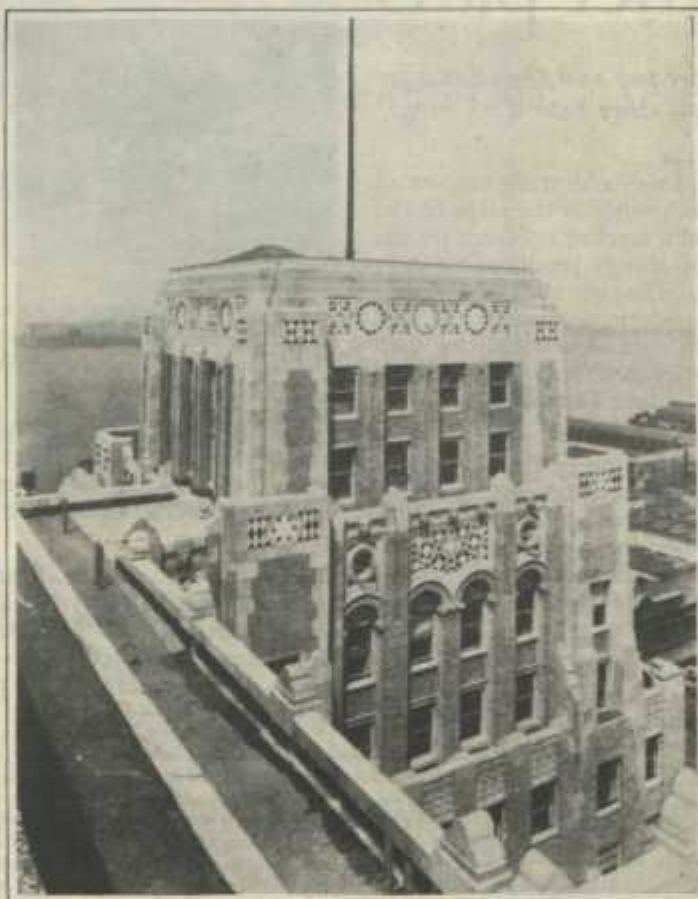
TWO NOMOGRAPHIC CHARTS, for use in quick computation of the leakage losses from natural gas lines, have been prepared by E. O. Bennett, natural gas engineer, Bureau of Mines.

### Charts for Use in Computing Gas Line Leaks

Various methods of making leakage tests have been tried during a study of losses in the transmission of natural gas, made by the Bureau of

## TERRA COTTA

*Gives Beautiful Color Effects*



Detail of decorative treatment in color, upper stories, Evening Post Building, New York City, Horace Trumbauer, Architect

TERRA COTTA is extensively used for beautiful polychrome effects in architectural design. The Evening Post Building in New York, just completed, is trimmed with Terra Cotta and enriched with a series of beautiful Terra Cotta panels in polychrome glazes. Send for our new pamphlet illustrating other beautiful Terra Cotta office buildings.

**NATIONAL TERRA COTTA SOCIETY**  
19 West 44th Street New York, N. Y.

(On behalf of the Terra Cotta Industry in the U. S.)



An actual incident at the  
Cantine paper coating plant

## The two , , dinner pails

"One's for pop and the other's for  
grandpop—they both work here."

THAT old trade custom of the son following in the steps of the father had a marked influence on the quality of things produced in days gone by. Despite the hurly-burly pace of modern production, it still persists in some few localities such as Saugerties, N. Y., the home of the Martin Cantine Company of paper coaters.

Like the working of fine silver and the making of oriental rugs, the coating of paper will always depend for perfection on the experience of craftsmen who see in their work ample incentive for making it a life calling.

Every one of the foremen in the Cantine plant has been with the company at least twenty years and many of them well over thirty. The present superintendent has three sons and a grandson working under him. Such records of long service and experience are typical, rather than exceptional, and account in part for the noted printing qualities of Cantine papers.



The actual test of printing tells the story of Cantine specialization—since 1888—more eloquently than words could ever tell it.

The added impressiveness of expensive art work and engravings printed on a Cantine quality paper has a vital effect on the sales value of your completed job.

For sharply detailed color and half-tone work specify—Ashokan. For the richness of soft-focus reproduction on a dull coated stock—Velvetone. For an extraordinary printing and folding job—Canfold.

A handsome steel-engraved certificate is awarded each quarter to the producer of the most meritorious job of printing on a Cantine paper. Write for details, book of sample Cantine papers and name of nearest distributor. The Martin Cantine Company, Dept. 357, Saugerties, N. Y.

## Cantine's COATED PAPERS

CANFOLD

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**Power**

The Industrial Hub of Western North Carolina

More your factory, or erect your southern plant at the center of hydro-electric development. Cheap power; unlimited soft water; native labor; raw materials (iron, forest products, pottery, clay, moulding sand, minerals, small fruits); good freight rates; receptive banks; agreeable climate—year round; recreational and other choice living facilities.

**Hickory**

North Carolina

A good factory field—its plants all operating and progressing. Ample opportunities for rayon, cotton, apparel, underwear, hosiery, woodworking, furniture, pottery, and growing factories. Write for Survey of Hickory. Convince yourself. Address—

CHAMBER OF COMMERCE HICKORY, N. C.

Send for Survey

## Betts Burton Appraisal Co.

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## A saving—

THREE-YEAR subscription to NATION'S BUSINESS (thirty-six 35c monthly magazines in all) for \$7.50. Use coupon below:

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Enter a three-year subscription to NATION'S BUSINESS for the undersigned. Send bill for \$7.50.

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(No extra charge for foreign postage)

Mines in cooperation with the Natural Gas Association of America.

Results of tests show that the so-called "shut-in pressure drop" method is the most accurate and dependable, the Bureau reports, and the application of this method is made clear in Serial 2751.

The two charts prepared by Mr. Bennett are arranged to give the leakage rate of gas from lines of various sizes. They are intended for ready reference in making field tests. The yearly rate of leakage per mile of line, and the equivalent yearly leakage per mile of 3-inch line can be determined from the charts, expressed in thousands of cubic feet of gas, at a temperature of 60° Fahrenheit, and a pressure of 30 inches of mercury at 60° Fahrenheit.

Copies of Serial 2751 and the two nomographic charts are obtainable from the Bureau of Mines, Department of Commerce, Washington, D. C.

A STUDY of the poultry and egg industry in Europe has been completed by the Department of Agriculture in anticipation of the possible need within a few years

**Britons Want Fat Chickens and Brown Eggs** for developing foreign markets for American poultry products.

Since 1880 the population of the United States has slightly more than doubled, sheep have declined in number, hogs have remained about constant, milk cows have increased about 25 per cent, but poultry and egg production is more than four times that of 1880, the Department finds.

American poultry is now said to be the best non-European poultry on the London market, but the Department investigators believe it can be improved by increasing the quantity of fat, and by breeding, feeding and grading for light-colored flesh, for London wants a fat, light-colored chicken.

No changes are necessary in the killing, bleeding and cooling of American poultry, the Department believes, if the method used is killing by bleeding in the mouth, wrapping the heads and cooling on hanging racks.

Exportation of eggs to Europe is confined almost exclusively to Great Britain, which prefers brown eggs rather than white, though in Great Britain the differences in price that have formerly prevailed in the United States between white eggs and brown eggs are not so great.

Details of this investigation have been published in Department Bulletin No. 1385-D, "The Poultry and Egg Industry in Europe," copies of which are obtainable from the Department of Agriculture, Washington, D. C.

MORE THAN HALF the urban population of the United States live in zoned cities, as compared with about one-tenth in 1916, according to information obtained

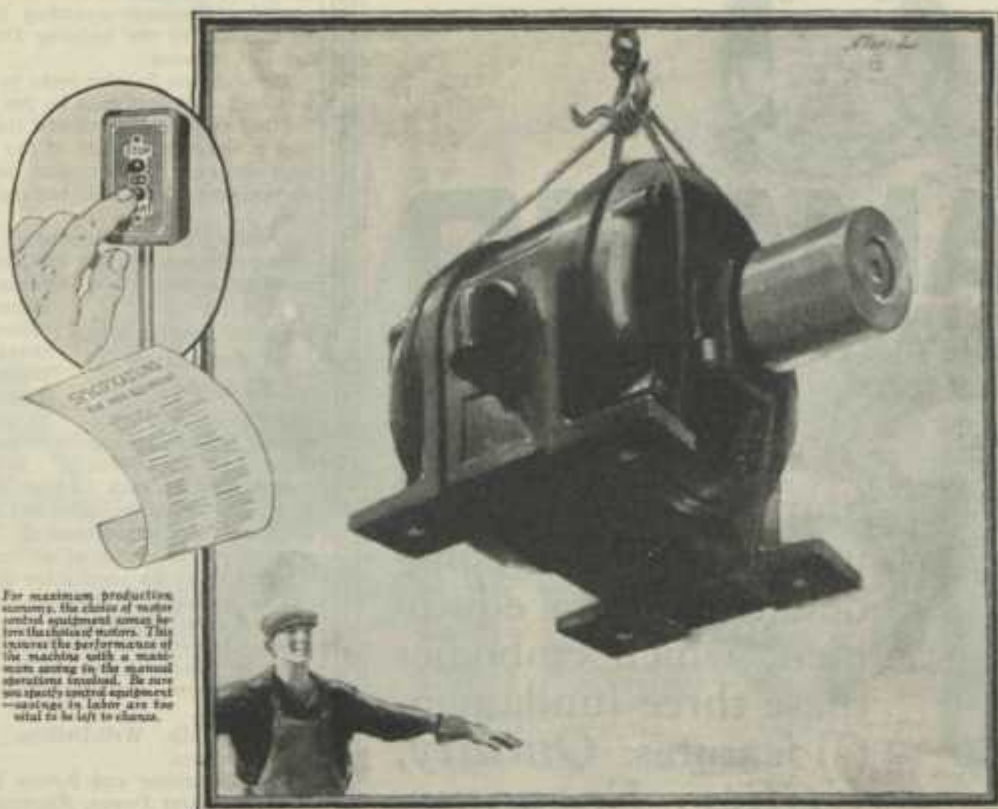
**More Than Half City Population in Zoned Cities** by the Division of Building and Housing of the Department of Commerce. Four Hundred and thirty-six municipalities, with a population of 27,500,000, now have zoning ordinances, as compared with six cities, with a total population of less than 6,000,000 in 1916.

The number of zoned cities increased from 6 at the end of 1916 to 73 by the end of 1921, to 265 by the end of 1923, to 425 by the end of 1925, and since the beginning of 1926, 11 additional cities have reported zoning ordinances. Grouped according to population, 47 of the 68 largest cities having more than 100,000 population and 150 of the 287 cities and towns having more than 25,000 population have zoning ordinances in effect. In New York State, 72 cities are zoned.

A complete list of zoned municipalities is obtainable from the Division of Building and Housing, Department of Commerce, together with reference to the legislation in different states under which zoning is authorized.

In an effort to protect home owners and





## Of course with motors - but HOW ?

THERE is not much question about equipment going into industry today. Quite naturally, it will be powered with electric motors.

For electric motors have proven their worth—their universal use testifies to that. Electric power with its flexibility, its ease of control, has brought a new standard of operating economy.

But when you plan new motor drives, when you purchase new equipment—even before you order motors—remember why you are using motors. Remember why they have become the universal motive power of industry.

Remember that motors by themselves are only brute force! The savings in labor that you expect—the savings that add substantially to industrial profits—the savings that are the basic reason for the wide use of motors today—these savings come through the effectiveness of correct motor control.

### *Is the effectiveness of your motor drives left to chance?*

So HOW do you use motors? Do you make sure that you get the proper motor for every drive? Do you insist on the most modern control available to afford the maximum time saving in the operation of the machine? Or do you, like they still do in some plants, just order motors and trust to luck that the proper control equipment is supplied?

Competitive conditions today demand the accurate powering of equipment. Your plant cannot afford to leave to chance the labor saving that motors can bring. Plan your drives considering the work to be done—that means the choice of control equipment first—the choice of control equipment that

affords maximum speed of production—that ties in closest with the manual operations involved. The proper type of motor can then be chosen to give maximum results.

### *Motor control experience as old as motors themselves*

Since the days when a motor was a curiosity in manufacturing plants, Cutler-Hammer engineers have been foremost in the development of motor control. The design of control equipment for every type of motor drive has passed through their hands. And because of their experience, practically every new problem of control that ever arises in industry, is passed along to them for solution.

Such is the counsel now available to help you bring your plant to maximum production efficiency. Either in the proper choice of new equipment or in the revamping of existing drives, the services of these C-H engineers—to counsel with your plant men or consulting engineers—are at your disposal without obligation.

In the purchase of equipment in which motor and control is incorporated as an integral part by the machine builder, you can be sure of the same high operation economy by demanding Cutler-Hammer Control. The familiar C-H trademark on this equipment means that the control has been chosen first—chosen first so that the motor could give maximum satisfaction.

### **The CUTLER-HAMMER Mfg. Co.**

Pioneer Manufacturers of Electric Control Apparatus

1251 St. Paul Avenue

Milwaukee, Wis.

# CUTLER-HAMMER

*Industrial Efficiency Depends on Electrical Control*



KALAMAZOO

LEADERS IN THE  
DEVELOPMENT  
OF LOOSE LEAF  
EQUIPMENT  
FOR THE NEEDS  
OF SUCCESSFUL  
BUSINESSUSE  
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for  
Records

CHOOSE

# KALAMAZOO

LOOSE-LEAF-DEVICES-AND  
ACCOUNTING-SYSTEMS  
**NOW-**



KALAMAZOO LOOSE LEAF BINDER CO.

Factories at Kalamazoo, Mich., and Los Angeles, Calif. Sales Offices in Principal Cities

Start a standardization in your record-keeping department on equipment which embodies these three fundamental features: *Quality, Utility, Economy.*

## Budgeting Your Advertising

*A book to aid in controlling expenditures*

ADVERTISING is an invaluable asset when properly harnessed and a dangerous element when it is not under easy control. You can spend too much money for advertising just as easily as you can spend too much for one form of advertising to the detriment of others. This book points out how to budget advertising expenditures in advance on a basis that is logically related to sales activity.

If you use, or are in a position to use, direct advertising as a medium, write for a complimentary copy.

EVANS-WINTER-HEBB Inc. Detroit  
816 Hancock Avenue West



The business of the Evans-Winter-Hebb organization is the execution of direct advertising as a definite medium, for the preparation and production of which it has within itself both personnel and complete facilities: Marketing Analysis · Plan · Copy · Art · Engraving · Letterpress and Offset Printing · Binding · Mailing

When writing KALAMAZOO LOOSE LEAF BINDER CO. and EVANS-WINTER-HEBB, INC., please mention Nation's Business



### The Direct Advertising Budget

Here is a book which deserves the serious attention of executives who are interested in the investment of money for advertising purposes.

It is intended to help executives to stop unnecessary expenditures, to insure adequate direct advertising at all times and to furnish funds in proportion to the work to be done.

other landowners in the reasonable use of their property, cities, towns and villages adopted zoning ordinances, according to Dr. John M. Gries, chief of the building Division of Building and Housing.

He says that "zoning seeks to regulate the use to which buildings may be put, the area of the lot that may be covered and the height of buildings in different sections of the city, so that the land in each district may be used for the purposes to which it is best suited."

INFORMATION ON DIFFERENT PHASES of agricultural engineering not included in bulletins is made available by the Division of Engineering,

### Farm Engineering Information Is Made Available

Department of Agriculture, through a series of mimeographed circulars. This plan was used to avoid the writing

of long letters in response to recurring inquiries about similar subjects.

One copy of each circular is available, free of charge, for each individual request, but the Department has announced that it cannot supply several copies of a circular to an individual or to an agency for distribution.

This so-called information series of mimeographed circulars includes:

- No. 2. Information on Windmills.
- No. 4. Electric Light and Power on Farms.
- No. 5. Farm Lighting Plants (other than electric).
- No. 6. Wells, Well-Drilling Machinery and Appurtenances.
- No. 7. Garbage and Refuse Disposal.
- No. 8. Water Power, Reservoirs, etc.
- No. 9. Tractors—Dynamometer Tests, and Gasoline Engines.
- No. 10. Land Clearing.
- No. 14. History of Development of Farm Machinery.
- No. 26. Dampproofing Materials.
- No. 28. Fences.
- No. 32. Plaster and Plastering.
- No. 34. Comparison of Round and Rectangular Barns.
- No. 36. Construction of Ice Houses.
- No. 37. Firms Manufacturing or Selling Farm Electric Lighting Plants.
- No. 38. Domestic Refrigeration.
- No. 39. Use of Alcohol as a Motor Fuel.
- No. 41. Iceless Refrigerator.
- No. 42. Refrigerating and Ice-Making Installations.
- No. 43. Concrete Sidewalks, Feeding Floors, Curbs and Steps.
- No. 44. Acetylene Gas Lighting Plants.
- No. 46. Repairing and Cleaning of Chimney Flues.
- No. 47. Cold Storage References.
- No. 48. History of the Plow.
- No. 49. Lime Burning.

IN RECOGNITION of the desirability of independent commercial testing service and in anticipation of a marked increase in the demand for that service

### Commercial Laboratories to Be Listed

in domestic and export trade, the Bureau of Standards is compiling a list of laboratories prepared to test various kinds of commodities to determine whether or not they comply with purchase specifications. This list will include the laboratories of universities and colleges, equipped for commodity acceptance testing, either on a purely commercial basis or for the purchasers of the states, municipalities, and public institutions.

The existence of a thoroughly classified list of commercial testing laboratories, together with a list of other reliable "checking agencies," according to the belief of the Bureau, will have beneficial effects in promoting the greater use of specifications, "not the least important of which will be the inducement offered to the large number of purchasers who have hesitated to buy on specifications."





## Transportation and Grinding

**G**REAT engines of commerce owe much to the lightness, strength and toughness of modern alloys.

America boasts of the Liberty and other aeroplane motors that generate one horsepower to every pound of weight.

In the building of gasoline motors and steam locomotives, grinding works to accuracy limits around one-quarter of a thousandth of an inch and sometimes even nearer absolute perfection. The result is: tremendous power, high speed, dependability and safety.

The practical use of hard, tough alloys, the accuracy of today and economy of manufacture, came after the invention and development of modern abrasives, modern grinding wheels and grinding machines—after grinding became a factor in machining operations. It would have been exceedingly costly, if at all possible to reach the present-day degree of motor accuracy before grinding took its place in the machine shops.

Great industries have been successful because of many contributing factors not the least of which is grinding. This is exemplified by the revolution in means of transportation, timed within the era of the development of the modern process of grinding.

NORTON COMPANY

WORCESTER, MASSACHUSETTS

# NORTON

Grinding Wheels  
Grinding Machines



Refractories-Floor  
and Stair Treads



## Reviews of Recent Business Books



### The Assurance of the "Chequed" Traveler

The traveler who carries his travel funds in American Express Travelers Cheques strides over the world with perfect self-assurance.

For these sky-blue American Express Travelers Cheques are his banker, his personal servant, his ever-present friend. Spendable everywhere at their full value, they are international passports, opening every door, dispelling every worry.

### American Express Travelers Cheques

are the insured money  
of all nations

Proof against loss or theft,  
convenient, easy to carry,  
simple to use

Besides, they command for their users the super-personal service of the American Express Company's world organization, through its many branch offices and thousands of representatives and correspondents everywhere.

Carry American Express Travelers Cheques wherever or whenever you travel and you will have that comfortable assurance born of confidence in the personal service you will command everywhere, and in the value and safety of your travel funds.

Issued in \$10, \$20, \$50 and \$100 denominations—bound in a small, handy wallet—they cost only 75c for each \$100.

FOR SALE AT 22,000 BANKS  
AND EXPRESS OFFICES

### American Express Travelers Cheques

Secure your steamship tickets, hotel reservations and itineraries; or plan your cruise or tour through the American Express Travel Department

**Some Cycles of Cathay**, by William Allen White. The University of North Carolina Press, Chapel Hill, N. C. \$1.50.

Diets, based on historical inference, are like figures—you can prove most anything by them—and the other fellow, who may not agree with you in any particular, may take the same data and develop an entirely contrary thesis, quite as plausible, if he's as clever.

That's what makes the whole business so fascinating—more so than cross-words, or bridge, or racing "dope sheets."

William Allen White, Kansas editor, frankly admits that "no historical thesis can be definitely proven," at the outset of his latest book, "Some Cycles of Cathay."

White's essays were originally an outgiving of lectures on American citizenship under the auspices of the Well Foundation of the University of North Carolina.

Whatever the eminent Kansan may lack in profundity, he abundantly makes up in originality and piquancy of expression. He's always stimulating—even when unconvincing. But then, as he says, "The author is not wise who would make men think as he thinks"—else there be no increment of incidental advertising through controversy.

But to get to Mr. White's interesting thesis. He holds that the United States has passed through three major political cycles—the Revolutionary, the Anti-Slavery and the Populist. Each, he asserts, is a segment of the arc of the large cycle of democratic development that is somewhat loosely designated as "western civilization."

To those interested in thought tendencies and cross currents that affect them, this little offering by a truly distinguished American cannot but prove both interesting and stimulating.

**Assuring Business Profits**, by James H. Rand, Jr. B. C. Forbes Publishing Co., New York, 1926. \$2.50.

A guide-book to business success by one who believes that "achievement has been reduced to a science as exact as chemistry." A code of simple business laws attempting to show that profits may be assured for business with mathematical certainty.

**Modern Retail Methods, Records and Accounting**. United States Corporation Company, New York, N. Y., 1925. \$10.

The author, long with John Wanamaker and Lord & Taylor, has put into 500 pages the methods of the modern department store in handling records and accounts. Encyclopedic, and in the best sense of the word a "how" book.

**Writing Advertising**, by James Davis Woolf. The Ronald Press, New York, 1926. \$3.50.

A discussion of the creative methods of advertising. James Davis Woolf, the author, is Secretary of J. Walter Thompson Company.

He has spent years in producing advertising himself, and in bringing beginners to mastery in the art of producing advertisements. The greater part of the book is devoted to copy writing, to "selling through the medium of printer's ink."

"Advertising," says the author, "is a business for creative men. The man who dislikes writing and the allied creative arts had better stay out, for the chances are against him. . . . This volume is a plea for better craftsmanship, for a closer and more earnest study of the creative problem."

As you read the book, you feel almost as though Mr. Woolf is talking to you. His style is conversational—and convincing. Some of the subjects he discusses in chapters are: "The Selling Job," "Directness and simplicity," "Touching Responsive Chords," "Elements of

Interest, Persuasion, Conviction, Emphasis." The book is fully illustrated.

"Writing Advertising" is significant, not alone as an exposition of a theory of advertising as practiced by an experienced member of a successful organization, but also as a body of doctrine for those interested in learning more about advertising.

**The Industrial Executive**, by B. A. Franklin. The Ronald Press Company, New York, 1926.

The vice-president of the Strathmore Paper Company undertakes to cover much ground in 140 small pages. Industrial relations, marketing, production control—all find their place. The author has tried "to consider industry as a whole."

**Investment Trust Organization and Management**, by Leland Rex Robinson. The Ronald Press Company, New York, 1926.

The investment trust is an import from Great Britain. At one time much of the capital the United States got from England and Scotland came from the investment trust. Now that we have become a leading nation, there is increased interest in the investment trust in this country.

What is an investment trust? It is the combination of the funds of many investors to purchase a wide variety of securities in order that safety may be attained through diversification with a maximum of return. As the writer puts it, it permits the small investor "to place his eggs in more than one basket, even though he has only one egg."

**Trade-Mark Profits and Protection**, by Harry A. Toulmin, Jr. D. Van Nostrand Company, New York, N. Y., 1926.

A patent lawyer sums up for business readers what's what in trade-marks. All the routine information as to laws and regulations has been put into appendices.

**Financial Independence: How To Win It**, by Harvey A. Blodgett. D. Appleton and Company, New York, N. Y., 1926. \$1.50.

Principles of thrift and sound investment simply set forth. Advice all the way from saving gas in cooking to investing the first \$1,000.

**Brickwork in Italy**, American Face Brick Association, Chicago, 1925.

The American Face Brick Association has done an unusual and beautiful job in the publication of this volume. It tells the story of brick construction in Italy from classic times on through the Middle Ages, to the present day.

**Dartnell Advertiser's Guide**, The Dartnell Corporation, New York, Chicago, 1926. \$3.50.

A new issue of this annual. An effort to give concise information about advertising agencies, especially their personnel. Supplemented by chapters on selection of agency and selection of media, plus a compilation of various marketing figures.

**Investing in Foreign Securities**, by George W. Edwards. The Ronald Press Company, New York, N. Y., 1926.

This book, sponsored by the Investment Bankers' Association and written by the economist of the Bank of America, is a recognition of the fact that since we are now lenders to the world and not borrowers from abroad, we need to know more of where our money has gone. We have loaned some \$10,000,000,000 abroad exclusive of war debts, which is nearly \$1,000 per capita.





The Graybar Tag, under which  
60,000 electrical supplies are shipped

## The GraybaR Tag —like 2-name paper

**J**UST as the second name on a note secures it doubly, so does the name Graybar on electrical supplies.

The Graybar shipping tag is final assurance of quality in the supplies which go out under it—endorsing the high inspection standards of the manufacturers.

As the world's largest distributor of electrical supplies, Graybar is in position to review the market, selecting products only of proved quality, and to make these available in every corner of the country, when they are needed.

Graybar Electric Co.  
Executive Office: 100 East 42nd Street, New York City





## Every parcel shipped by mail has money value

**N**ORTH America Parcel Post Insurance does not cover currency sent through the mail. Yet every package mailed is money in an equally losable form. Insurance is your only protection against financial loss on packages, and a North America Coupon Book represents dependable insurance in its most convenient form. Wrap a North America Coupon in every package and you are assured of satisfactory adjustment without red tape or delay. Ask your insurance agent, or write for complete information.

## Insurance Company of North America

PHILADELPHIA

"The Oldest American Fire and Marine Insurance Company"

Founded 1792



Insurance Company of North America  
Sixteenth Street at the Parkway  
Philadelphia, Pa., Dept. N-8

Name .....

Street .....

City .....

State .....

Wants information on Parcel Post Insurance

### REPRINTS OF ARTICLES

appearing in this magazine may be ordered from us at cost. We will give permission, upon request, to reprint articles from NATION'S BUSINESS in house organs or in other periodicals.

NATION'S BUSINESS, Washington

## IF YOU HAVE A SELLING PROBLEM

Don't Fail to Send for a Copy of This

## FREE BOOK ON DIRECT-BY-MAIL ADVERTISING

Shows how to increase sales and decrease selling costs.

"Wonderful Stuff!" is echoed by all who have read it. "Recently I invested in a set of business books that cost a lot of money," wrote one;—"But I got more real benefit from your little book than from all of them!"

And now, all you have to do to get YOUR COPY is to clip out this advertisement, fill in your regular business letterhead, and mail it to the

ELLIOTT ADDRESSING MACHINE CO.  
149 Albany St., Cambridge, Mass.

## TRAVELING SALES MANAGER

to direct well-established sales organization of dealers and agents for one of Country's leading manufacturers of Building Specialties. An exceptional opportunity for man expert in selection and direction of dealers and agents, especially if he brings experience in the building materials or allied fields and is well and favorably known by leading architects and contractors. Not a "desk job," but one requiring continuous personal contact with subordinates and customers over practically 48 states and Canada.

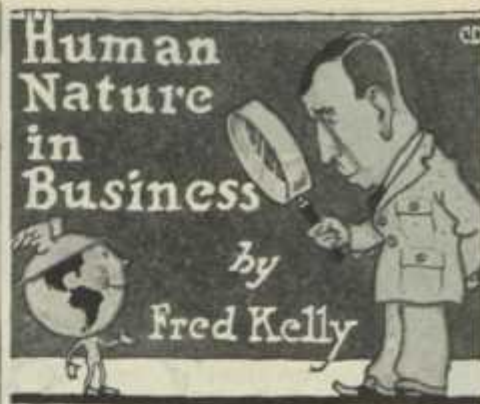
Present sales organization very strong and active yet capable of still greater development under skillful direction. Manager will have fullest opportunity to initiate and handle to close individual contracts on largest projects.

Compensation, on salary and bonus basis, will attract managers now making \$10,000 to \$20,000. Write fully of experience, all communications will be held in strict confidence and interviews arranged at early date.

Box Number 101

NATION'S BUSINESS

Washington, D. C.



**T**HREE or four times within a week I had occasion to be in a certain large New York office building. Gradually I became conscious that the building was somewhat different from others. I couldn't have told at first why or how, but I felt that the place was conducted on a more painstaking scheme than most buildings.

One day I entered the building for the sole purpose of trying to figure out just what was different. Then it dawned on me that what gave the place tone was its elevator service. The men operating the elevators were dressed as neatly as military officers. Their shoes were carefully polished, they were clean-shaven, and even their finger nails showed care.

Later I chanced to meet the owner of the building.

"We aim to have better elevator men than others do," he said, "in the hope that people will take notice just as you have. We pay them \$2 a week more than the customary scale, and pay for having their clothes pressed and shoes shined. All we ask them to do free of charge is to take baths and shave daily. One of our requirements is



that no elevator man carry on conversation with a passenger. He may exchange pleasant greetings, but that is all. I doubt if anything detracts more from an office building than a gabby or wise-cracking elevator man."

**M**ANY department stores now take customers' cars to a garage and park them for as many hours as desired, while the customer, presumably, is spending money in the store. I asked the head of one store how much this service was abused and what means they had for telling whether the owner of a car really intends to stay at the store for shopping purposes.

"The privilege is abused somewhat," he said, "but the plan has increased our business more than 12 per cent, and so we are not yet worrying about the occasional fellow who works us for free parking."

**A**MAN in Bethlehem, Pa., has built up a profitable business on the theory that nothing under the sun is too useless for somebody to buy it. He goes to country sales and buys everything offered, from grindstones and sawbucks to discarded bonnets. His stock now requires a fairly large warehouse. People come to marvel that a man should give space to so much worth-



# Pierce-Arrow Sales in Chicago Increase 152%



*80% of the new business is traced directly to Tribune advertising!*

**W**HEN Pierce-Arrow buys Chicago Tribune space the message is intended to reach the greatest number of men in the \$5,000-a-year class.

It is intended to do that and more. It is intended to impress Pierce-Arrow distinction, Pierce-Arrow performance, Pierce-Arrow value on every member of the families of those with incomes that equal or exceed \$5,000 a year.

It is further intended to reach the largest number of people who are on their way up to \$5,000 a year or over.

So powerful is the selling influence of The Chicago Tribune that Pierce-Arrow has found it to be the greatest sales producing agency it has ever used in this territory.

Pierce-Arrow used other papers, as well as The Tribune, in 1924 and sold, as a result, a goodly number of cars in Cook County in that year. About the middle of 1925 Pierce-Arrow decided to use The Chicago Tribune more extensively in Chicago. Now note what happened.

Sales of Pierce-Arrow cars in Cook County for 1925 jumped 152% over 1924. These figures cover only retail sales in Cook County. They do not include sales by outside dealers in Chicago territory.

Advertisers who are interested in increasing their sales in the Chicago territory should read the letter of Mr. A. A. Crumley, General Manager of the Pierce-Arrow Sales Corporation, Chicago, distributors for Pierce-Arrow.

Mr. Crumley says:

"We believe the increased sale of Pierce-Arrow cars in this territory is, to a marked extent, due to the use of The Chicago Tribune. It is quite noticeable on days that we advertise in your newspaper we have many more visitors and many new prospects in our salesroom. Also on the day after an advertisement appears in The Tribune, we have many prospects come to our showrooms."

"Since our salesmen are trying to find out the source of each prospect, we found that 80% saw our advertisement in The Chicago Tribune. I might even say that we have ten times as many interested prospects come into our salesroom on the days we advertise in The Tribune as on the days when we do not run advertisements."

"Another surprising fact is that out of the total number of Pierce-Arrow owners in Cook County, we are now servicing 95% at our local Service Station, whereas a year ago we were servicing less than 50% of those owners."

Mr. Crumley also stated that his salesmen "fought for the job as floorman" on the days Pierce-Arrow advertisements appeared in The Tribune. During the first six months in which this advertising was increased in The Tribune, Pierce-Arrow trebled the number of sales in Cook County. Pierce-Arrow's success in finding its biggest Chicago market in The Tribune's circulation indicates the possibilities of this same circulation for any manufacturer not now making use of it. A Tribune man can show you how to increase your sales in the Chicago territory.

**80% of the new prospects saw the ad in The Tribune**

**Prospects are ten times more numerous on days when the advertising runs**

**Pierce-Arrow sales tripled**

**The Tribune, the "greatest sales producing agency"**

**Pierce-Arrow sales jump 152%**

## The Chicago Tribune

THE WORLD'S GREATEST NEWSPAPER

Circulation: DAILY, 730,000—SUNDAY, 1,038,000

When writing to THE CHICAGO TRIBUNE please mention Nation's Business





## When the Fire Comes

Will it find your insurance based on property costs or *property values*? Your insurance policies specify the latter.

Property costs differ from property values by 50%, 100% or more, depending on the type of property and period of its acquisition. Has the difference between cost and value in your property made you an unwitting co-insurer?

American Appraisal Service will prevent waste of money in buying excess insurance. It will tell you the exact amount to carry. It will provide you with the required "proof of loss" when the fire comes.

American Appraisal Service will also enable you to establish and maintain property accounts in accordance with the property facts, to purchase, sell or lease buildings or equipment intelligently and to exercise adequate managerial control over the operation and protection of your property.

Our Booklet No. 894A discusses industrial appraisals and insurance, No. 841A treats of appraisals and accounting, our chart No. 935A suggests what has happened to industrial property values during the past decade, our leaflet No. 936A gives a few interesting facts about The American Appraisal Company. These will be sent you on request.

## The American Appraisal Co.

MILWAUKEE

PUBLIC UTILITIES • INDUSTRIALS • REAL ESTATE PROPERTIES • NATURAL RESOURCES

A NATIONAL ORGANIZATION

less junk. But while they're talking about the absurdity of having such stuff, they see something they've been wanting and buy.

ED SCHMIDT, a grocer in my native town, used to get thousands of dollars' worth of advertising every year by the simple plan of keeping his goods on tables far out on the sidewalk, under an awning, in front of his establishment. He employed a watchman and kept his groceries out in front day and night. The advantage of this was not only that people could see what he had to sell, but that it caused talk. He took up so much more of the sidewalk than any other grocer ever did that many criticized him, declaring that he was presumptuous to occupy so much of the public thoroughfare. There was so much talk about this that it was impossible for anyone not to know just where his store was. Now and then he arranged to have a resolution introduced before the city council denouncing him for taking so much space and ordering him to move his stuff inside. But nothing was ever done about it, and he grew wealthy. Eventually he owned half the business blocks in town.

A NATIONAL advertiser who uses much billboard space tells me that small signs along public highways, intended for the eyes of automobile drivers, are rarely placed where they will be effective.

"A man driving an auto has his eyes close to the road," he said, "and will not raise them far above the road to look at a sign. Obviously, then, the sign should be close to the ground. And it should have only as many words as one can read in driving rapidly by. Few roadside signs contain too many words any more, but nearly all are placed above the line of vision."

"THREE Big C's determine a man's credit standing," remarked a wholesale credit man. "They are Character, Capacity and Capital. If a man has enough character he will at least try to pay. But the next question is whether he has enough business capacity to go through with whatever he attempts. It is almost equally important that he have capital in proportion to the size of his undertakings. If a man is generously endowed with one of the big C's, it may atone for lack of the other ingredients. Character or capacity make up for lack of capital. Plenty of capital may even safeguard in a measure against a woeful lack of character."

PIANO manufacturers say that their business is on a higher plane than ever before. Phonographs and radios may have hurt their trade, but they at least sell to people today who are interested in music for the sake of music. In former times, a piano was likely to be bought more as a piece of furniture for purposes of social prestige.

SOMEBODY once said that you can always sell anything if it has a cherry in it. A half of grapefruit with a bright red cherry in the center will sell far more readily at a lunch counter than the same grapefruit without the cherry.

That reminds me of the experience of Ed. Strout, famous farm salesman, who found that he could always sell a farm with stock and tools if he advertised to throw in a dog



"NEARLY all business problems could be settled in a jiffy," declares an economist, "if we only knew more about the weather. A little thought will convince anybody that weather is the most important single economic factor. Hence the desirability of being able to forecast it farther in advance and with greater accuracy."

"Most business consists in supplying three basic human wants—Food, Clothing and Shelter. All food grows in the ground and depends on weather. Clothing grows either in the ground or on animals' backs. Shelter is a means to protect us from weather. Two others might be added, transportation and communication, but they, too, are affected by weather. If we only knew to a certainty what the weather will be several weeks ahead, we could avoid business losses due



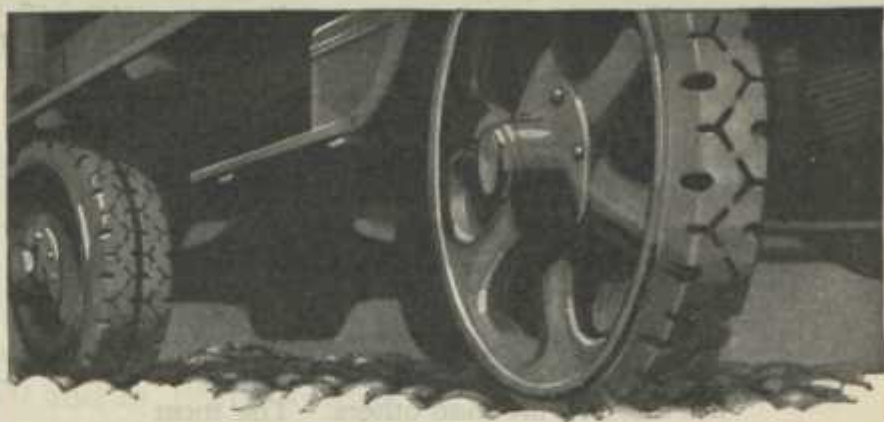
to depending on mere guesswork. We could buy a season or two ahead with scientific accuracy. The effect on the clothing business alone might be revolutionary. A year or two ago, one manufacturer of straw hats made a million more hats than he needed because he didn't know that it would be an exceptionally cool summer."

And think what a boon more weather knowledge would be to circuses!

"I DOUBT," a small town banker recently remarked, "if we are enough concerned about the tragedy of a man failing in business. No matter how small his enterprise is, the man who has failed may cease to be an asset to his community and become a liability. Before he failed he walked with head erect, faced the world with confidence, and took an interest in everybody about him. But after he fails he loses his nerve. He becomes fearful and dependent on the enterprise of somebody else. Instead of being a motor he is now only part of the load. Unless his self-respect is bolstered up, he may go down until finally he becomes a charge on the community."

ONE OF the cleverest business strokes of recent years, it seems to me, was the idea of making help-yourself restaurants beautiful. It was a simple enough idea, but somebody with imagination had to be the first to think of it. Gradually the notion is spreading that not only low-price restaurants but all manner of comparatively humble establishments may cater to people's esthetic side as well as to their pocketbooks. A few cafeterias, once dismal and forbidding, now have wonderful color schemes and even orchestras.

"IT IS always easy to be fooled by figures until you analyze them," says an insurance company statistician. "New York City has a noticeably low death rate. At first thought, after looking over the figures, one might think that New York must have the most healthful conditions in the world. It does have excellent climate and other good conditions, but the important fact is that it is not a desirable place for children or old people, and the proportion of these groups is less than in most cities. Hence the population is too old for children's ills, but not old enough for advanced age troubles. So it is in every line of business. Figures are



## Protect Your Truck and Load with Double Cushions

Firestone Engineers developed the Double Cushion Tire to give load protection with mileage to trucks carrying fragile loads.

Double Cushion Tires have an extra high tread of shock-absorbing rubber with a center cavity that increases its natural cushioning qualities. The large volume of rubber gives long mileage, while the center cavity and side pockets distribute the weight over the entire base width—insuring not only even wear, but reduces heat, an additional factor that adds longer life to this tire.

See the nearest Firestone dealer. Whether you require cushion, traction or mileage, he has a Firestone tire engineered for every road, load and condition of service. See him today.



MOST MILES PER DOLLAR

# Firestone

DOUBLE CUSHION TRUCK TIRES

AMERICANS SHOULD PRODUCE THEIR OWN RUBBER. *Johnny Firestone*

### Figures in a Hurry— Not Hurried Figures

Send your inventory and other emergency computations to a skilled organization of public calculators. 45-hour accurate service.

ATLAS CALCULATING SERVICE  
19 W. Jackson Blvd. Chicago, Ill.

ADVISORY ENGINEER for Water Supply, Fire Prevention, Fire Protection and Safety. INSPECTION SERVICE for self-insurers and those who value exceptional care and order.

ROSCOE L. SMITH, C. E., Ambler, Pa.  
(Mem. Am. Soc. of Civil Engineers)

**EXECUTIVES**

Progressive executives the world over are finding the new Hammond an invaluable addition to their office equipment. It does what no other typewriter can—writes in many sizes and styles and languages with interchangeable types including miniature type which forms 18 bulky reports, statistics, etc., so be condensed to pocket form.

Write today for illustrated booklet

**THE NEW  
Hammond  
TYPEWRITER**

Hammond Typewriter Co., 56 Brook Ave., New York

**223,000**  
business men like yourself  
are reading this number of  
**NATION'S BUSINESS**

Have you something to sell  
to this audience?  
Let our advertising department  
furnish you facts and figures  
**NATION'S BUSINESS**  
WASHINGTON, D. C.



## Waste Fields in Selling

Your market as a whole is a patchwork of numerous little fields. Some of these are more fertile than others. The most fertile often go uncultivated; while the least fertile, cultivated at comparatively too high a cost, become *waste fields in selling*.

The *MARKET ANALYSIS* Service of Ernst & Ernst ascertains, by scientific method, the populations, characteristics, consumption requirements, abilities to buy, competitive strength, etc., in each of the fields making up your market.

The proper use of the information, developed by this Analysis, reduces selling costs, increasing net profits as well as volume.

### ERNST & ERNST

ACCOUNTANTS AND AUDITORS  
SYSTEM SERVICE

NEW YORK	CLEVELAND	DETROIT	CHICAGO	NEW ORLEANS
PHILADELPHIA	AKRON	GRAND RAPIDS	MILWAUKEE	JACKSON
BOSTON	CANTON	KALAMAZOO	MINNEAPOLIS	OAKLAND
PROVIDENCE	COLUMBUS	PITTSBURGH	ST. PAUL	FT. WORTH
BALTIMORE	YOUNGSTOWN	WHEELING	INDIANAPOLIS	HOUSTON
RICHMOND	TOLEDO	ENID	DAVENPORT	SAN ANTONIO
WASHINGTON	CINCINNATI	ATLANTA	DENVER	WACO
BUFFALO	DAYTON	MIAMI	ST. LOUIS	SAN FRANCISCO
ROCHESTER	LOUISVILLE	TAMPA	KANSAS CITY	LOS ANGELES
	MEMPHIS		OMAHA	

of little value until you interpret them in light of all the facts."

"I HAD the strange experience," relates the head of a big business office, "of having an excellent stenographer quit for a new reason. She said my work just wasn't interesting enough—that there was too much routine, too many prosaic words to write down day after day. Her pet aversion was anything pertaining to bills of lading. I think she was disappointed that our dictations didn't sound like that of a gifted novelist or playwright."

THAT reminds me of the stenographic problem once faced by Louis T. Golding, publisher of the *St. Joseph News-Press*. His secretary struck for higher wages because she said he used many uncommon words, some of them of three and even four syllables. She declared that this put a strain on her mentality.

COURTESY in taxicab drivers seems to be in inverse ratio to the size of the city. That is, the larger the city, the more likely taxicab men are to be dissatisfied with the size of their tip and to make insulting



comment. I suppose the reason is that in larger places there is less chance of meeting the same customer a second time. One doesn't dare be insulting in a village because he would soon succeed in angering everybody and have no trade left.

IN A RECENT automobile ride through a rural section, I noticed three recently abandoned blacksmith shops. The next time I met a country blacksmith still in business; I asked him what he thought of the future of his occupation.

"I still have plenty of work from farmers," he said, "but I don't know how many years it will keep up. Many farmers who now have horses would buy tractors if they could afford them. Others keep their horses because they have had them for a long time and are attached to them. They would feel obliged to pension them rather than sell them, and so keep them as long as they can still be worked."

Another country blacksmith told me that he would have to close his shop if he hadn't worked up a trade for fancy iron work, andirons and such.

All of which recalls that the Royal Institute of British Architects is trying to induce architects throughout England and elsewhere to bring ornamental work to blacksmiths to offset that lost with the horse.

IN BUSINESS sometimes every silver lining has a dark cloud just beyond, and it is brightest just before the storm. I have just been looking over a history of some of the old canals and the astonishing fact is that the value of canal stocks was highest just before the canal business went pretty much to smash. Canal stocks were once regarded about as we do the best grade of railroad stocks today. They were widows' and orphans' investments. But they became comparatively worthless almost overnight. These stocks had a sharp decline in 1856, but the real blow-off came about 1870.

# TOTALLY DIFFERENT Hauserman MOVABLE STEEL PARTITIONS

A type and grade for every purpose—unmatched values backed by 10 years experience—Largest Steel Partition Mfrs.

Branches in Principal Cities—Send for Literature

PAT. APPL. FOR

THE E. F. HAUSERMAN COMPANY—6811 GRANT AVE. CLEVELAND

When writing to Ernst & Ernst and The E. F. Hauserman Company please mention *Nation's Business*



## Farmers Slept Under Their Wagons In Zero Weather in 1922!

**T**HIS happened in our own Northwest. The farmers had suffered ruinous years in 1920 and in 1921, because they couldn't get cars to ship their wheat.

The year 1922 crowned their miseries. They drove to town with their grain in hopes of selling it. They had to sell. Hard-pressed bankers were in turn pressing the farmers for payment of loans.

The elevators couldn't handle the farmers' wheat. If they did take it, they couldn't get cars to ship it. Herds of cattle in the Northwest had to be sold, but there were no facilities for transportation to market. Millions of bushels of potatoes were in danger of freezing.

In such desperate cases as this, remedies have *got* to be found. And in this instance, the remedy *was* found!

The farmer, the elevator man, the railroad man, the miller, and the banker gathered about a table and worked their way out. They quit fighting among themselves and found a remedy so successful that it has been applied to the entire country's transportation system.

Steadily, surely, quicker than anyone would have believed possible, traffic congestions we had come to think inevitable were overcome—and in such a way that they have never come back.

Now 9,000 men, in every line of business, meet in groups to straighten out the problems of the shipper and the railroad. They have cut down the peaks in marketing with the consequent jumps and sags in prices. They are helping the grape grower of California, the lumber manufacturer of Washington, the potato raisers of Maine and Idaho to get their products to better markets in quicker time.

One result has been hand-to-mouth buying which has puzzled so many of us.

*No matter what your business is, this peaceful revolution has affected it, has changed your methods of buying and selling.*

*F. S. Tisdale tells for the first time this dramatic story of business in a series of articles beginning in the September number of NATION'S BUSINESS. It is a story business men will enjoy. It is, the editors believe, the best contribution made to America's business since this magazine printed "The New Competition."*



# I'll tell you the way to the best we have

**Y**ou are promised, in these hotels, complete satisfaction.

You know that promise; our employees know it. You know that the management's intentions are of the best—but all the same there may come a time when you aren't getting what you want here.

I'll tell you what to do in such a case: just remind that employee of his permanent instructions—which are:

*"Always fully satisfy the guest whom you are serving—or, if you can't satisfy him, get your superior to complete the transaction."*

In other words, remember that the people in authority will see that you're satisfied, and your complaint will always be adjusted, if it goes high enough.

There was never a manufacturer, probably, whose product



gave full satisfaction in every unit and to every buyer; nor a merchant whose employees pleased every customer; nor a hotel man who felt that every departing guest left with goodwill for the house. This simple rule of conduct, by which all

our employees are governed, comes as nearly as anything we have been able to set up to making satisfaction automatic when customer and employee are at variance on a question of service.

Remember it, when you're in our houses. It will get you the best we have.

*Emory*

P. S. The experienced traveler plans to be in a Statler for his over-Sunday.

Rates are unusually low, in comparison with those of other first-class hotels

Rates are from \$3 in Cleveland, Detroit and St. Louis; from \$3.50 in Buffalo, and from \$4 in New York. For two people, these rooms are \$4.50 in Cleveland and St. Louis, \$5.50 in Buffalo, and \$6 in New York.

Twin-bed rooms (for two) are from \$5.50 in Cleveland, Detroit and St. Louis, from \$6.50 in Buffalo, and from \$7 in New York.

## Boston's Hotel Statler is Building:

A new Hotel Statler is under construction in the up-town district of Boston—to be opened late this year, with 1300 rooms, 1300 baths.

## And an Office Building:

Adjoining the hotel will be the Statler Office Building, with 200,000 sq. ft. of highly desirable office space, ready in September; Rental Managers, W. H. Ballard Co., 45 Milk St., Boston.

# STATLER

Buffalo~Cleveland~Detroit~St. Louis

# HOTELS

## Values, Values!

Every room in these hotels, whatever its price, has private bath, circulating ice-water, bed-head reading lamp, full-length mirror, and other unusual conveniences. A morning paper is delivered free to every guest room. Club breakfasts—of a lucerne excellence. Each hotel has a cafeteria, lunch counter, or both, besides its regular dining rooms. All articles at news-stands are sold at street-store prices.

And Statler-Operated Hotel Pennsylvania~New York

*When writing to STATLER HOTELS for reservations please mention Nation's Business*



# TIME WAS SHORT—Long Distance *bought* \$ 12,000

WORTH OF LUMBER



A LUMBER and mill-work concern of Bridgeport, Connecticut, needed a quantity of spruce lumber, of a kind then very scarce. They received a tip that a desirable cargo was about to land in Boston. How could they get to it before it was sold? . . . A long distance call got the lumber just in time and it was shipped immediately—200,000 feet; value, \$12,000.

MEN, in an ever-increasing range of businesses, are learning the economy of Long Distance. In buying. In selling. In making difficult appointments. Where something must be done now or not at all. In those numerous emergencies where expense must be cut, where more miles must be covered and more people interviewed. Every day American business men handle thousands of transactions by Long Distance. Adjustments and purchases are made. Numberless business details are attended to. And a call is often the most economical as well as the quickest way to get a thing done.

It may be that your concern has not tested and learned the usefulness of the

telephone to distant cities and towns. Do you think of it only when someone is wanted in your own city or near at hand? The greater the distance, the greater the service! The telephone can often save you a tiresome trip around many states, just as it constantly saves you walks over town.

Has a special study ever been made to learn the ways in which Long Distance can serve your business? Our local Commercial Department will gladly make such a study free. In the interim, what distant man or concern would it be to your advantage to talk with? The instrument on your desk will connect you, regardless of the distance, now. . . . . *Number, please?*

## BELL LONG DISTANCE SERVICE





# "Give us a Fountain Pen Desk Set in which the Pens will lie Flat!"

*The World demanded—Parker responded  
And better still—with Parker Duofold Pens*

25-year Points—Non-Breakable Barrels

Parker Fountain Pen Desk Sets with ball-and-socket holders are unlike any you've ever seen.

The pens not only stand upright, but also tilt, and lie flat. For the ball-and-socket holder moves from horizontal to vertical. Also in all directions.

Thus no accidental blow can harm the pen or tip over the set, as when pens are held rigidly upright.

The Ball-and-Socket Desk Set Holder is a Parker creation. Its action is smooth; its tension is self-adjusting. And because the pens will lie flat, you

can slip the Parker Set in a drawer at the close of day and lock it up.

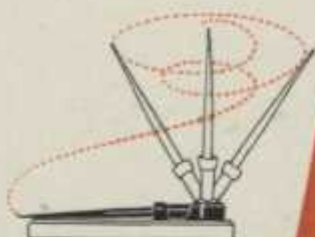
It lets you forever part company with old-style pens and spilly inkwells. In their place, this rich glass base with one or two Parker Duofold Fountain Pens filled with ink ever at hand in their ball-and-socket holders.

Pens with Non-breakable "Permanite" Barrels and Points guaranteed for 25 years, not only for mechanical perfection, but for wear!

See these improved Desk Sets at the nearest pen counter. Write us if no dealer is handy.

Parker Duofold Pencils to match the Pens: Lady Duofold, \$3; Over-size Jr., \$3.50; "Big Brother" Over-size, \$4

THE PARKER PEN COMPANY, JANESVILLE, WISCONSIN • OFFICES AND SUBSIDIARIES:  
NEW YORK • CHICAGO • ATLANTA • DALLAS • SAN FRANCISCO • TORONTO, CANADA • LONDON, ENGLAND



**Ball-and-Socket Action**  
an exclusive Parker idea

enables you to lay pen flat on the base within the holder, or tilt it in any direction that is handiest. This cannot be done with any other Fountain Pen Desk Set.



F-3-13—Double Oval Base, Carrara plate glass, 2 Parker Duofold Jr. pens, 1 red and black, 1 plain black, complete, \$11.90.

F-7-17—Same base with 2 Parker Over-size Duofold pens, \$15.90.

## Parker Duofold Desk Sets

Pick your Parker Pen from the dealer's pen case—any point or color—and he'll change it over to a Desk Pen in a twinkling. This can be done with the Parker Pen only.



A-X-2—Polished composition base with red and black Parker Duofold Jr. pens, complete, \$10.00.

A-X-7—Same base with Parker Over-size Duofold Pen, \$12.00.

Same base with Parker Lucky Curve pens, \$7.50 and \$8.50.



E-3-13—Double oval base, Carrara plate glass, 2 Parker Duofold Jr. pens, 1 red and black, 1 plain black, complete, \$12.50.  
E-7-17—Same base with 2 Parker Over-size Duofold Pens, \$15.50.



D-3—Carrara plate glass base with red and black Parker Duofold Jr. pens, complete \$11.00.  
D-7—Same base with Parker Over-size Duofold pen, \$13.00.

*Attractive Gift Box*  
comes with all Parker Sets



B-X-13—Double Set, polished composition base—2 Parker Duofold Jr. pens, 1 red and black, 1 plain black, complete, \$17.00.

B-X-7-17—Same base with 2 Parker Over-size Duofold pens, \$21.00.